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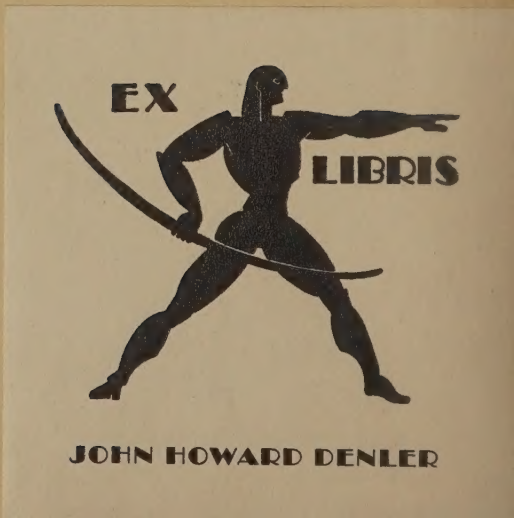
THE PORTRAIT OF A BANKER:

JAMES STILLMAN

1850-1918

By Anna Robeson Burr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To John Denker

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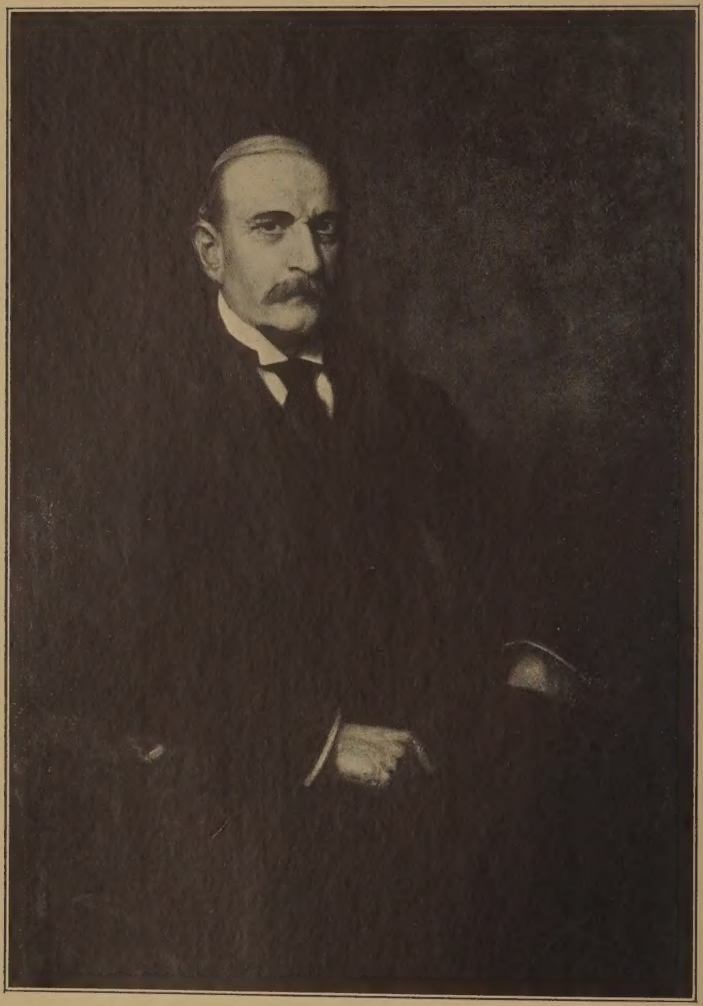
Father & Mother

The Portrait of a Banker:
JAMES STILLMAN



Jas. B. Stillman

The Portrait of a Banker:

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1850-1918

By

ANNA ROBESON BURR

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"There are geniuses in trade, as well as in war, or the State, or letters; and the reason why this or that man is fortunate is not to be told. It lies in the man; that is all anybody can tell you about it. . . . See him and you will know as easily why he succeeds as if you see Napoleon you would comprehend his fortune. . . . His natural probity combines with his insight into the fabric of society to put him above tricks and he communicates to all his own faith that contracts are of no private interpretation. The habit of his mind is a reference to standards of natural equity and public advantage and he inspires respect and the wish to deal with him, both for the quiet spirit of honor which attends him and for the intellectual pastime which the spectacle of so much ability affords. . . . None will ever solve the problem of his character according to our prejudice, but only in his own high, unprecedented way."

—*Emerson.*

By Anna Robeson Burr

THE AUTOBIOGRAPHY:
A CRITICAL STUDY

WEST OF THE MOON

ST. HELIOS

THE GREAT HOUSE IN THE PARK

THE HOUSE ON CHARLES STREET

THE HOUSE ON SMITH SQUARE

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The Portrait of a Banker

PREFACE

BY WAY OF INTRODUCTION

THIS BOOK is a portrait and not an historical painting, which accounts for a certain sketchiness of background in dealing with the financial developments of the nineties. People who wish to know the share-list of Amalgamated Copper, or the amount of the gold reserve, or the wheat crop for any one year, will be obliged to seek them elsewhere. They may, however, find that personality is a factor not to be disregarded in the development of a country, whether economically or politically.

Our civilization changes quickly and, in so doing, changes the very types of men by which it has in turn been changed. This action and reaction is observable in any study of comparative types, in the newspapers, in literature. The great industrial leaders of the moment are no longer taciturn and dominant, but affable and confiding and display an humanitarianism which savors of apology, together with a lofty idealism (of speech) which seems almost expiatory. Therefore, it is interesting to recall that period when a man's business was an article of religion, when his office was a church.

The prevalent type of 1880-1910 was the capitalist so-called, as we see him in magazines, in books and on the stage. He appears, for example, in the novels of Frank Norris and as the hero of such dramas as "The Lion and the Mouse" or "Les Affaires sont les Affaires." Even Ibsen could not resist him. And when we examine more nearly this strong, silent Master of Capital, we notice that he is a composite photograph of two men, John Pierpont Morgan and James Stillman. For reasons which it is hoped this book may make clear, this composite portrait is dominated by the features of the latter.

The author started with one view of the main character and ended with another. In this, she followed the experience of everyone who came into contact with him in the ordinary way of life, and who found, as she has done, that there was no pigeon-holing this personality. A manner entirely direct and simple, veiling a character so extremely complex, offered a perpetual enigma to the world and challenge to the biographer, who like the Greek hero, found herself struggling with a Proteus of many shapes. Herein lies the value of such a study.

A word as to method. There is no statement of fact, big or little, in these pages which has not come from an authoritative source. . . . Inferences the writer has permitted herself to make; and her interpretations of fact are by no means invariably the same as those of the person who contributed it. This is inevitable, since the contributor possessed but a fragment of truth,

whereas the biographer was possessed of other fragments which tended to complete the whole. Opinions of any person may be prejudiced for or against and generally are of small value; while facts as to what he said or did, wore or ate, are the solid bricks of the building. Few people understood James Stillman at any time; but they are clear as to the effect he produced on them or on others and this multiplied impression forms the structure of Truth.

A biographer must weigh the evidence of those who liked the man and those who didn't, those who pitied and those who feared, those who found him delightful or disagreeable, according to his mood or their's. Such a book as this is a mosaic of small facts, observations and occurrences, imbedded in a past which events have made to seem much more distant than it really is. When the dust is blown away from this mosaic of memories, it is our's to reconstruct the fascinating and intricate design then revealed, a design signed by the greatest of all artists and one who is never worried about consistency.

To the two writers John Moody and Alexander W. Noyes, whose books are most often cited in these chapters, thanks are heartily given—they were the charts by which the course was steered. Gratitude is also due a long list of people on both sides of the Atlantic, who so courteously and patiently assisted the author to revive the memory of their friend.

The Portrait of a Banker

Chapter One

THE BACKGROUND

THERE is a legend of the Massachusetts Bay Colony, told in a variation by Hawthorne, which describes the gathering of a group of frightened colonists at Hadley, on being warned of an Indian attack. The men were away on some expedition down the Great River; only a few scared lads and dauntless but feeble elders were left to defend the place, apparently marked out for massacre. Into the rough, stockaded church—the only fortified building, hurried the brave women, their children clinging to their skirts, and here they assembled, shuddering and praying and waiting in sickening fear for the first whoops from the forest where the enemy lay hid.

Suddenly there appeared in their midst a strange old man, whose dress was rich, whose bearing was that of a leader and a soldier. He pushed his way through the group and addressed them, quieting the panic-stricken, making light of their fears. He bade the pastor offer prayer and when that was done he proceeded to take the lead and form the townsfolk into

organized battalions. Women, their children helping them, were set to work at the barricade, while the old man moved amongst them, cheering and directing.

In fact, so energetic and inspiring was his leadership, so brisk and vigorous his counter-attack, that the savages were met at the edge of the forest with unlooked-for determination and were soon in full flight beyond the stockade. Then to the grateful colonists the unknown revealed himself. He was Colonel Goffe, the Regicide Judge, who, up to that day, had lain concealed for months in a secret chamber behind the hearth of the finest house in the settlement, the dwelling of its most important townsman—himself a person sufficiently mysterious, who was known to his fellow-colonists by the name of "Mr." George Stillman.

Of this gentleman little was told and much of that tale was legendary. Mystery, in the seventeenth century, was the not infrequent accompaniment of immigration, and men who landed on American shores in 1685 were apt to have lost one name and acquired another during the journey. There were parts of the country where religious creed almost demanded an alias. In the case of "Mr." George, the mystery was deepened because of his incurable taciturnity, which cast the same veil over him as it did over his descendant, the subject of this biography. His name almost certainly springs from place—as did so many English names . . . it was "Stileman," one who lived at or near a stile. But the

coincidence was too apt, legend could not resist it; so we hear that he too, was a Regicide Judge, and that when asked on landing to name himself, he had only replied: "I am a Still Man." Another version says that his wife died during the voyage and that the sailors thus nicknamed his grief-stricken silence: a third declares it to arise from his reverent habit during family worship, when he prayed: "Thou art God, but I am Still Man." Similar stories, though told in the crisp and flippant accents of the nineteenth century, were current on Wall Street about the man who dwelt near the stile at the National City Bank.

This first member of the Clan Stillman emigrated some time between 1685 and 1690. That he was always called "Mr." George conveys the fact he was of gentle birth, which is confirmed by the name of his first wife, Lady Jane Pickering, who died either just before or during the voyage.

So far as is known the family came from Steeple-Ashton, Wilts, and "Mr." George when he set out for America was already a merchant in good standing. We know that even in those difficult days he was a solid man, his mercantile talents were marked and from the very outset of his new life, he prospered. Moreover, the financial supremacy of his family in the colony remained uninterrupted; so that the similar development and gift of their descendant is by no means fortuitous

or accidental, it is on the contrary the result of direct hereditary inclination.

When Mr. George settled at Hadley, it was as a widower, who had left a son or sons behind him in England. Not long afterwards he remarried, Rebecca Smith, daughter of a prominent colonist, Philip Smith, whose death from a "Hideous Witchcraft," left his son-in-law in possession of that fine stockaded dwelling with the secret chamber, wherein poor old Colonel Goffe lay concealed. Under "Mr." George's rule the house and family lost nothing of their importance and were respectfully considered by their townsfolk, on account of the owner's good sense and growing wealth. Hadley, however, was felt by many to be peculiarly exposed to the dangers of Indian attack. Together with a group of other colonists, "Mr." George moved in 1708 to the river settlements and his family history for eight generations is henceforth identified with the town now known as Wethersfield. Here he throve, trading with the West Indies in rum and molasses, in dress-goods, pins and hardware; here he built a homestead on Main Street, which he bequeathed his son Nathaniel "in love and affection," and here he died in 1728, leaving what in those days was the large estate of over four thousand pounds.

If we count the years from the birth of "Mr." George to that of James Stillman in 1850, we will see that these two hundred years of an American family

history cover the most vital period of American national history. A certain inevitability in the character and personality of the subject of this study will thus be accounted for, which is of importance if we are truly to understand him. He lived and died in New York but his spiritual background was largely that of Puritan New England.

Wethersfield was the oldest of the Connecticut River settlements. The green meadows, the gracious curves of the broad river and, above everything, the apparently gentler nature of the Indian tribes in possession, all attracted the explorers. The first name they gave their home was the Indian one of Py-quaug, changing it soon after to the present name.

Wethersfield underwent the usual vicissitudes of a New England colony and did not escape its Indian massacre during the outbreaks of 1637. One result of this event was the fortification of the town, as Fort Street remains to tell us; while the second Pequot campaign followed, by which the Indian camps were totally destroyed. The settlement also suffered the usual Church differences and disputes, and because of them some of the settlers grew discouraged. But King Philip's War brought fresh colonists and among them came "Mr." George Stillman and other merchants who found the Connecticut River a convenient waterway for their trade. Henceforward the life of Wethersfield is the life of Colonial America, with all its typical incidents.

In 1780 occurred the great excitement over a visit from General Washington, who rested in Wethersfield with his suite, escorted by twenty-two dragoons. Tradition says he sent a trooper for Captain Nathaniel Stillman, Mr. George's grandson, who did not forget to take along with him, on that occasion, his own little grandson, Asa. The boy witnessed an affectionate meeting between the two and saw the General scatter some small coins among the children who had gathered in a wondering group. When Asa gave his own share away to the little ones who had no chance at this largesse, the great man did not fail to reward him with some pieces for himself, calling him a "chip of the old block"! Asa did not say anything, (he was a true Stillman), but recorded the incident later with awe and affection. This was a proud moment in Wethersfield history, and two years after the town had its panic-moment—the famous Beadle murders, when a storekeeper with melancholia disposed of himself and his entire family with an axe and caused a shudder over the countryside. We can picture the women saying to each other that surely life was sufficiently hard in the Connecticut valley without these additional sinister terrors!

For indeed, life was hard and stern to a point which we of today, who live on the ease the colonists have won for us, should never allow ourselves completely to forget. Those Wethersfield women—the Smiths and Goodriches and Stillmans—what fortitude—what tenacity was re-

quired of them! A personal letter from the wife of the Rev. Henry Smith, tells us what it was like in 1698 when he "settled at Weathersfield on ye great River" where he became "ye firste settled Pastor. Concerning of ye earlie days," she writes, "I can remember but little save hardship . . . ye maid-servantes tarried not but till they got married" (poor Mrs. Smith!) "which was shortly, for there was great scarcity of women in ye colonies. Ye Firste Meeting House was solid mayde to withstande ye wicked onsaults of ye Red Skins. . . . After Indians, ye wolves y^t^ was ye worst. The noyse of they're howlings was eno' to curdle ye bloode . . . and I have never seen ye man y^t^ did not shiver at ye sounde of a packe of 'em. Once a bear came too neare ye house: a good fatte onne" and was triumphantly shot by the writer's sister.

These were some of the material difficulties of pioneer life and it seems that they were not the worst. One would think that cold and damp, hardships and isolation, Redskins, bears and wolves would have sufficed without adding imaginary terrors to that burden! Yet the colonists surrounded themselves with demons and hobgoblins. Even the solemn and beautiful forest must be haunted by a "Warraneage"—an offspring of the Devil, wandering loose like an animal in the wood. A goblin, horned and phosphorescent, hovered in the vicinity of the millpond; but vanished after it was discovered to be an idler anxious to get up a scare. Then there was al-

ways the fear of witchcraft—the flare-up of that hideous epidemic which had ravaged Europe for four centuries, its last manifestations of hysteria and cruelty being in the Salem outbreaks. "Mr." George Stillman came into the most intimate contact with this horror in the death of his father-in-law who "was murdered with a hideous Witchcraft that filled all those parts of New England with astonishment. . . ." The account is circumspect.

"About the beginning of January," we are told, "he (Mr. Smith) began to be very *valetudinarious*, laboring under pains that seem'd *Ischiatick* . . . and utter'd an hard suspicion that the Ill woman who had threatened him had made impressions with Inchantments upon him. While he yet remained of Sound Mind he very sedately, but very solemnly, charged his brother to look well after him. . . . He cry'd out not only of Pains, but also of Pins tormenting him in several parts of his body and the Attendants found one of them." The case pursued its course with plenty of wonders, unaccountable lights and noises and the like; thus poor Mr. Smith drew on to his end amid the wonder of a sympathetic countryside.

Such was the community where the Stillmans made their homes. That they were a respected clan we have the best evidence. Seven members fought in the War of Independence. A Memorial Tablet has been placed in the First Congregational Church to the memory of five Deacons, John, Benjamin, Timothy, Ebenezer and

George—all of whom bore the name of Stillman, while the town everywhere still bears traces of their occupancy.

To the occupation of Connecticut River merchants, we find them in due time adding those of ship-owner, and ship-builder, trader and supercargo. The world became their market and the younger Stillmans grew well acquainted with the uttermost parts of the sea. Two out of three Nathaniels, who followed in direct descent from Mr. George, the founder, received from their fellow townsmen the title of "Captain."

Finally a "Francis" makes his appearance, the first of all the clan to die in his fifties, but not ere he had visited in his own ships the Gulf Coast and all that part of Mexico which later became the State of Texas. He seems to have been greatly struck with the opportunities presented there and on his return to Connecticut loaded a ship with goods, placed it in charge of an experienced Captain, who also shared in the venture, and, as the custom was, took the opportunity to embark thereon his young son, Charles, as supercargo. This boy was to become later the father of James Stillman.

Charles Stillman was eighteen when he set forth on this voyage. A daguerreotype of him, some years later, shows a blond man with severe blue eyes, strong-featured and concentrated, with a look of vigor and decision. It was entirely according to New England tradition that the elder son of a ship-owning family

should matriculate so early in life at that university, the sea. The ship on which he sailed was owned partly by the Stillman family and partly by its Captain, who acted as trader and was responsible to the other shareholders for their profits in the venture.

Everything went wrong it seems, on that voyage to Matamoras. After many delays, the ship arrived at the tag-end of the trading season to find conditions unfavorable. The captain who was the pivot of the enterprise, suffered from bad health and impaired energy, causing him to decide that he must return home. What follows cannot be written with reference to direct record, since what is told of these events comes largely from family tradition. By this means we learn that the young man who landed in 1828 on that wild Mexican coast, was almost immediately faced with the failure of the whole enterprise and with the fact that unless means were at once taken to prevent it, the money invested in the voyage was likely to be a total loss. Now loss was not a word familiar to the Stillman family vocabulary and Charles Stillman did not propose to add it to his own. Plainly, during that voyage, he must have impressed those about him with his qualities of character and energy; perhaps it was felt that desperate straits call for desperate remedies. However this may be, it is certain that the ship sailed without its youthful supercargo, who was left behind in Matamoras with the sole responsibility to dispose of the cargo in trade, as he saw

fit. On that day, we can, I think, picture the youth and his mixture of feelings, determination, the latent, exciting sense of powers untried, mingled no doubt—as the sails vanished beyond the headland—with a wave of homesickness. As he turned back up the sun-baked Spanish street, his blue eyes burned in his bronzed face. There were but few men of his own sort in Matamoras, but that didn't trouble him. He was determined to succeed.

In a comparatively short space of time, the cargo under his charge had all been sold at a good profit. He was looking about him, he was learning Spanish and he had already decided that the situation in the Southwest was one by which a bold man might well make his fortune. It is plain that from 1830 onward he ceased to regard himself as Charles Stillman of the Connecticut River. He had become and he remained Don Carlos of the Rio Grande.

Like his eldest son, Don Carlos saw a long way ahead and had a deep sense of the adventure of life or he could not have remained in Matamoras. At that time Texas held only a scattered handful of white men and these were not permanent nor established colonists. The region was uncultivated, for the desert lay all about and was the habitation of rattlesnakes and tarantulas, centipedes and scorpions. The heat was probably nowhere greater on the continent. At Brownsville, the temperature frequently reached to one hundred and ten degrees.

Surely he was a bold man who should try to wrest a profit from that soil, in that climate and under those conditions! And Don Carlos was a bold man, determined, adventurous, taciturn and dignified as if he had been born a Spanish Don. It was all too far away for any government to bother him: so he and a few men like him *were* all the government that counted for anything along the Rio Grande.

During the whole of Charles Stillman's Texas life the border was in a state of complete anarchy. This is a fact which must be understood if we are to understand anything; the results were not only practical but psychological; for men who are their own judges and executioners, their own Chambers of Commerce and Boards of Trade, who make their own laws and carry them out, set their own prices and their own percentages, are not amenable to quite the same ideas or influences as are their more regulated brethren. We must not expect them to be soft and docile or to be light and gay. Don Carlos was neither. He displayed much of the force and tenacity of his blood and like the founder of his family "Mr." George, that early pioneer, he was immensely respected, trusted and obeyed. But he inclined to be harsh and narrow, and he was not, at least after his return to the States, always successful as a judge of men. Perhaps he regretted his pioneer dignities and that life of self-reliance, of triumphs hardly won. No doubt he wasn't obeyed as quickly in New York as he had been

in Texas and it made him impatient. We know he was impatient with his eldest son and thought him too town-bred. This attitude showed that Don Carlos understood Texas better than he understood New York.

In point of fact, Charles Stillman began his life in Texas at the beginning of the most troubled and exciting period in her history. From 1828 to 1836, the years which placed Texas on the map, held not an instant's calm, held hardly six months together of stable and unquestioned government. These were the years when every State in the Union rang with the cry "Remember the Alamo!"

The Mexican War followed in 1846 after which the United States, having restored anarchy along the Rio Grande, proceeded (as more than once in its history,) to forget all about Mexico. The Tejas Indians, whose honor in giving their name to the new state is all they were permitted to leave behind them, were not more ignorant of the causes underlying the continuous border warfare than were most of the Senators and Representatives at Washington. In the muddy waters of the forties and fifties, Congress was fishing for other trout than the Mexican problem. That the struggle over this Texas borderland was one of the last moves in the great contest between England, France and Spain for the retention of a foothold in the New World was not apparent save to the philosophical eye of history. All this occurred during an era when by fortune's most curious

whim, every event in Europe for good or ill seemed directly or indirectly to assist in the growth and consolidation of the United States. Charles Stillman's pioneer life was conducted with the intelligence and strength which made the pioneer certain of success. There was a growing trade in cotton and merchandise of all sorts and he owned and operated a ferry across the river. If risks were great in a land of no authority, profits were proportionately high and there was nobody to interfere. By and by he moved his headquarters from Matamoras across the river to the neighborhood of Fort Brown.

In Brownsville Charles Stillman continued to prosper as a cotton merchant and to keep out of sight politically. This was the part of wisdom, since opinions regarding annexation differed and to have identified one's self with either party was to lay one's self open to attack from the other. As an individual, Don Carlos was trusted and respected by everyone, so that even now the tradition of this respect and trust survives; his house is pointed out to visitors and his personality, his knowledge of horses and even his old dog are still remembered. His method of dealing with the natives was more liberal and open-minded than that of other Americans they met. The story is still told of an Indian tribe who applied to him for permission to graze their cattle on certain waste lands of his. Don Carlos consented, since by this means his fields became, as it were, policed, squatters were kept away and he was informed of all developments. So

when their Chief died, the tribe sent their American friend the wampum-belt, as token that he was elected to the post. After his death the title in turn descended to his eldest son and of all the things which were later told and thought concerning the President of the City Bank, this one surely was left unsaid. Some people knew that James Stillman was a Mason, but nobody ever dreamed that he was an hereditary Indian Chief!

On another occasion, when the village was threatened by bandits, a story tells that Don Carlos rode out unarmed to parley with their chief, and as the result of his bold act the little settlement was spared. Undoubtedly he foresaw the Mexican War and did all he could to strengthen his own position in Texas, anticipating the tide of emigration which was certain to follow hard upon victory.

Don Carlos remained on the border during the arrival of the Army of Occupation under General Zachary Taylor. He assisted, with his ferry and his people, in transporting the troops across the Rio Grande and he steadfastly made use of his powerful influence with the Mexican and half-breed population in maintaining law and order and preserving property. It was to him, as to some benign overlord, that the wretched peons and Indians of the province came for protection when their plantations were threatened by the soldiery. Nor did he fail them.

One suspects that the whole business of the Mexican

War bore rather too much the aspect of a filibustering expedition to arouse much enthusiasm in a man like Charles Stillman. The troops were indeed the troops of his own country, but they had a certain freebooting air about them. Tales of hidden riches along the Rio Grande were freely bandied about; to many Americans, Mexico was synonymous with Spanish gold and Inca treasure. Don Carlos could have told them that the only treasure lay in the soil to be won only by labor under a killing sun and in the difficult business of irrigation, but they did not want to listen. Their golden hopes sustained them during the dreary work of skirmishing.

The day came when the Army finally took possession of Matamoras. It was July Fourth, and the invaders were bewildered to find the town gaily decorated with flags and garlands, due to the festa of some renowned saint. So the banners waved in the sunshine; the church bells rang, while the lean, tanned boys from Tennessee and the Carolinas marched wonderingly through the streets to the main square, staring on the blank walls and barred windows and marvelling what of treasure or of beauty their dark rooms might conceal.

Don Carlos knew for one that they concealed neither. No Spanish senorita had ever captured his fancy, though no doubt more than one had looked with favor on this blue-eyed, virile stranger, as he cantered by under her balcony. But he was not interested.

As soon as he could after the Mexican War he went back to Wethersfield for a long visit and there, in 1849, he married a Connecticut girl, named Elizabeth Pamela Goodrich. On both sides, she came of Wethersfield people:—merchants and sea captains were her ancestors, as they were her husband's. No less than twenty-four members of the Goodrich and Francis families had fought in the War of Independence. It was the same stock, the same soil, the same controlled, iron-willed, God-fearing family discipline for both of them; but existing portraits show that it was by no means the same temperament.

The daguerreotype of Elizabeth Goodrich, which is the pendant to that of Charles Stillman, shows the charming face of a brunette, with a spirited, sensitive profile, level brows, a little, round, determined chin, thick, glossy hair in smooth bands and a well arched nose like her eldest son's. Her face is intense and vivid; in the plaid dress with the demure lace collar, the picture transmits a warm and fascinating personality, highly intelligent and having a certain Latin air.

We see where James Stillman got his somewhat foreign good-looks, which puzzled many people. Later portraits of his mother testify to the development of her character and charm, as do the impressions of family and neighbors. Still it is remembered by them how beautifully she read aloud; how she loved and worked in her garden, how she liked her own way and successfully on

occasion opposed even her dominant elder son. Vivid, interesting, and unusual women of this rare type are not easily forgotten, memories of them have a persistent fragrance, lasting long after they have gone, as the delicate scent still rises from a long empty rose-jar.

Such was the young woman who in 1849 married Charles Stillman and returned with him to make her home in Texas. Of her life there we know few details. With all the courage and good will in the world, and we know she had both, the young wife must have found her new home trying, alien and often alarming. There was not even in her immediate surroundings any of the compensating beauty, color or picturesqueness such as reward the settler in California. The house in Brownsville is small, with a hipped roof, and a deep porch upheld by white-washed pillars. The yard is enclosed by a picket-fence and shaded by bushes and trees. No doubt in 1850 the grounds around it were larger, but the whole is on a modest scale, as is also the office of Don Carlos, a one-story brick building on the corner of a dusty street.

At Brownsville the "Mad" river runs straight and swift, a channel so narrow that conversation can be carried on from bank to bank. The ferry, which her husband owned, was and still is a primitive affair; the landings are placed on floats and tethered high or low on the river-bank according to the volume of the current and the season of the year. One reaches these floats even

The house of Don Carlos at Brownsville, Texas, where James Stillman was born

today by means of boards laid over the mud. The city, says an account written in 1846 "appears as if buried in a vast garden." Towers and steeples thrust out of the green; although they cannot lighten the effect of the heavy Spanish buildings. The inhabitants in those days were mostly Mexicans, with a few Americans; the town supported three churches, a market-house, a well built fort. The main square, planted with orange trees, held booths for sweetmeats and liqueurs, while some two hundred couples waltzed there on festas to the music of a feeble string band.

But it is doubtful if Mrs. Stillman found any satisfaction in such gayety, while much that went on must have been a real trial to her. A constant factor of discontent sprang from the lawlessness, the instability. A man may derive from these an excitement which seems to spice his daily task, but woman's nature thrives ill in such an atmosphere. Here was no real security, either to themselves or to their labors—least of all, it seemed, when their own government was represented in the land chiefly by adventurers and freebooters.

Complications had arisen for Charles Stillman out of the Mexican War and the occupation by the Army of certain lands he owned at Fort Brown. The Army had used many acres and had ruined many others, and the United States never paid nor intended to pay any rent for these. In 1875, Charles Stillman's son set legal ma-

chinery at work to obtain relief and the effort continued until 1885 when an appropriation was made by Congress of one hundred and sixty thousand dollars to pay for the property, the damage and the rent. Anyone who thought this would end the matter knows little of governments. A tissue of difficulties and political intrigues, both Texan and Mexican, had accompanied, complicated and delayed the processes of law. When these were finally settled and paid for in 1895, Don Carlos had long been in his grave and his son observed that it would have cost him less to have bought the whole property back again out of his own pocket!

Notwithstanding these anxieties and annoyances, however, the affairs of the couple prospered. Don Carlos grew rich. His method of storing his cotton, as soon as harvested, tended not only to do away with middlemen and their speculations but also to stabilize the trade throughout that region. Believing that the coming of the Yankees was to take their lands from them, the scared natives came to him to sell their little holdings. In fact Charles Stillman followed the family tradition by soon doubling whatever fortune had been left him and he confidently expected his son to better that achievement, in which hope we know he was not disappointed. Important connections had been established with other cotton firms, and by 1850 he could look with satisfaction on his position in the world. As

for his wife, she too must have been a good deal happier, because on June ninth of that year she bore her first child, a boy-baby, looking like his mother, whom they named James.

Chapter Two

BOYHOOD

THOSE forces of disruption which combined to produce the Civil War got under way earlier in Texas than in any other southern state. That vast empire had no long-standing ties or tradition of loyalty with the Union. An alien civilization and alien speech, Latin ideas and prevalent Catholicism caused Washington to seem as tyrannical and distant as ever Spain had been. Conditions of life and labor, and a population preponderatingly half-breed, with swarms of Indians, Mexicans and negroes, made slavery appear both necessary and inevitable; while the conservatism which in the older States still remained as a bar to the idea of secession could not exist in a country which had been Mexican till 1835.

That a conflict was unavoidable and approaching appears to have been certain in Charles Stillman's mind shortly after his marriage and return to Brownsville. Although he foresaw the inevitable end and the probable extension of his own activities, he realized that in such an event Brownsville was likely to be an uncomfortable, if not unsafe place of residence. No doubt his wife's

uneasiness and distaste had much influence; they must not be disregarded and were not likely to change, when a second baby followed in due time upon the birth of small James. Raids across the river were always in order; in fact life on the Rio Grande became impossible, when one had two little children to consider.

Some time early in 1855 or 1856 the decision was made. Mrs. Stillman and the babies made that long and trying journey to New York and the history of the subject of this book may properly be said to begin.

A house was taken, first on 32nd Street and then a few years later on East 40th Street. Thereafter, when Don Carlos returned to Texas and his affairs there, he did so alone and the family headquarters remained in New York. Such a life, under the conditions of travel prevailing in those days, was taxing in the extreme: the excitements incident to the plain approach of Civil War must have made it still harder, but Charles Stillman maintained his Texan affairs and interests for ten years or more, until his health began to give way under the strain. After 1866 he was broken by a stroke and although he lived until 1875, the leadership of the family had slipped from his into younger hands. As we have already indicated, Don Carlos was of the pioneer type and although always a man of energy and ability, yet he had lived too long on the Rio Grande to be altogether content with city life. No doubt, he was more familiar with Mexican and Indian bandits than with the

bandits of the Cotton Exchange. At all events during his last years in New York, he slips into the background of this history, which henceforward will concern itself wholly with that small adventurer now five years old, his eldest son.

A picture taken about this date shows James wearing a plaid jacket and a buckled belt, in company with a girl cousin who had sausage curls and a Mary Pickford look. She is perfectly self-satisfied and has laid her hand with an air of patronage on the small boy's shoulder; she is "showing off" and he is aware of it and suffering from it. He is pulling away from her with indignation; we see that now as always in his life, he hates to be made conspicuous—"I've no use for these gushing girls!" the round child's face seems to say. It is as dark as an Italian's, with a straight, defiant gaze. The mouth is set into a firm line; some law of his being demands even then that he show no weakness—insists on self-control. With him this was the one eternal law; we shall find him paying that tribute to it during his whole life that human beings must always pay.

In physique and appearance the child was like his mother, intense, slight, clever, high-strung; his devotion to her was extreme. When she went out he would be found with his face pressed against the window or sitting in a fever of anxiety and tears, at the head of the stairs watching for her safe-return. No doubt the long absences of his father accentuated this devotion, as it un-

doubtedly increased his almost morbid sense of responsibility.

He was still a very little fellow when "he felt his family tugging at the reins" and his development was a decade ahead of other men's all the way along. He used to carry the little sister, ten years younger, around on his back and his mother proudly said that she could trust him anywhere. But this seriousness, marked though it was, did not interfere with the ordinary childish ambitions. We are told that he balanced as a career, between his desire to become a choir-boy at the Church of the Ascension or the driver of a Fifth Avenue 'bus. The sister, who so lovingly remembers these things, can furnish one foreshadowing incident of his little boyhood. Jim had a tin bank with currency made of cherry pits, painted for the different denominations, and it was a beloved toy. Another sister tactlessly set up a rival bank which had a certain career and then got broken and was out of commission. Jim told her—quite briefly and decidedly, we are sure—that he couldn't permit it to be revived, since *his* must be the only bank in the family. The legendary bees about the mouth of the infant Plato, are not more prophetically indicative than is this anecdote.

It is a relief to the biographer to chronicle that James was often a naughty boy and that he was sent to school because his mother found him, as she might have said, "a handful." He was full of activity, physical and mental,

and he was apt to get into mischief. Certain reminiscences, which he contributed to a daughter-in-law and which will be found given at length later in these pages, describe some of these pranks. It is obvious that the city is no place for a youngster who threw red pepper down from the balcony of the church during service, while to be a leader of "the ———— Street Gang" is a perilous eminence in the eyes of a mother.

A fight between Jim's gang and the Third Avenue gang had results in the shape of a broken window, an irate grocer and the total disappearance of two small boys for three days, which was very alarming to the family and interesting to the police. The fact that the culprits had taken shelter with a friend, under the unexceptionable roof of the General Theological Seminary, was not as reassuring to their parents as they perhaps thought it ought to be! All this was in the first year or two of the Civil War, when Don Carlos was in Texas trying to save the situation and when the little family in New York, with the brave mother at the head, must have suffered a long and acute strain of anxiety. When Charles Stillman finally returned, it was by way of England, for he had sold his ships and broken his connection with Texas.

Meanwhile a move had been made which turned out to be of much importance in the family history. Ever since their arrival in New York, Mrs. Stillman had been on the look-out for a country house, and after various

James Stillman as a small boy

experiments had been tried more or less unsuccessfully, a school-mate of Jim's had suggested Cornwall-on-Hudson, lying opposite Fishkill, in romantic and historic country. When Jim dutifully brought home this suggestion, he added to it his approval by saying that he had already enquired if there was a red barn, a condition which he regarded as a *sine qua non*, and had received a satisfactory answer. He was eleven at this time: it was an anxious and a gloomy year and one feels that Mrs. Stillman might hardly have brought herself to make the move if she had not already come to rely and rest on that small shoulder.

However, this may be, they decided to investigate and the journey was made, small James taking it all very seriously, saying as little as possible (for he was already a true descendant of the Still Man) but bearing the responsibility and aiding his mother in the details as if he had been ten years older than he was. Some doubt exists as to whether they took the railroad or the old side-paddle steamship "Mary Powell": we are able only to see them arriving—the pretty mother in hoop-skirts and the little girls in pantalets—at the Cornwall Landing, where the hack-men were waiting with long-tailed horses hitched to old-fashioned carry-alls. The Clark's boarding-house was asked for, whereupon a pause ensued till one of the old country men drawled out:

"They're all Clarks and they all keep boarders!"

Mrs. Stillman doubtless laughed, yet looked anxious,

for after all, there were the little ones and they were all tired. So the difficulty was solved (as it usually was) by Jim, who had been making his own enquiries as to which of these places owned a red barn.

Thereupon they all got into the carry-all and were hauled up the hill in the sunshine behind the long-tailed nags. The air was sweet and the blue horizon dropped away behind them and Jim sat silent and satisfied on the front seat, his dark eyes taking in all the advantages. . . . What he saw was indeed beautiful. Here the Hudson makes its noblest sweep, the rolling hills are softly folded into violet distances and the magnificent outline of Storm King dominates and protects the whole. From the first they all seem to have loved it and none more than Jim, who made friends and learned to row and swim, which accomplishments he taught the younger ones.

The scene of the latter sport was a deep glen carved out between the foothills and watered by clear streams, where shaded by forest trees the "old swimming-hole" became a place of perpetual enjoyment. There were other exploits, some of which were more dangerous, as when the boys used to jump from log to log in the river on the jam brought down by freshets in the spring, and this the performer remembered long afterward, for the reason that it was one of the things his mother never knew about.

The Cornwall summers were happy and healthy.

Once Jim broke his leg jumping into a hole in the barn. While laid up, he spent much time drawing and painting paper dolls for his sisters, for whom he designed whole wardrobes, very fashionable and elaborate. Here is the same taste which caused him in after years to take so deep an interest in the dress of his daughters and daughters-in-law, so that in 1914 we find him seriously discussing the most becoming shades and noting down the "robe du soir, moiré rose" or the "robe bleue, d'après-midi," or weighing the merits of the different French *couturiers*. He himself alludes to this after his severe illness in 1916, as "the ruling passion, strong in death." As a matter of fact, he showed at an early age in all ways, the tokens of a precise and finished taste, which caused him to study and to emphasize his own good-looks. Even as a lad he was always what novelists term "meticulous," it was a part of the exactitude which characterized his mind. This carefulness was allied to a rapid power of observation and a tenacious memory, especially for figures. At that pastime which consists in quickly noting a number of small objects gathered on a table and listing them from memory—Jim was always first. Genius for finance, it seems, is not so fortuitous as those who lack it desire to have us think.

On the other hand, the boy lacked powers of ready expression both in speech and in writing; his own picturesqueness as a person was always rather felt than exhibited. Silence, that inheritance of the blood, early

laid her commands upon him; and this did not make for the quick enjoyment of human relations. Shyness, increasing this taciturnity, in the beginning made him a little afraid of people and later on made people more than a little afraid of him. Thus a barrier grew up, behind which was loneliness and this was marked enough to lend his manner at times a touch of melancholy.

In these early days, however, we deal but with a childish trait, the subject of school jokes and anecdotes more or less legendary, like those told about President Coolidge. Such is the story that when he wrote "*No*" on the blackboard, his schoolmates declared it was the only word Jim had said for three days! Probably this was at Dr. Roe's School at Cornwall, where he was sent for awhile when still pretty young. The headmaster was the brother of E. P. Roe, the novelist—whose books went far and wide in those days—and we are not told whether Jim liked his life there. A prank or two is remembered; for instance when the boys climbed out of a back window at night and scampered about the village before climbing up and in again. Serious school days did not begin before 1862 or 1863 and then, as was most natural during these Civil War days, a military academy was chosen. This was the Churchill School, situated at Sing Sing, a place which had not yet changed its name from that of the great prison to Ossining.

The buildings stood on a hill overlooking the village, and the pupils, in strict military formation, were

marched to and from their row or swim in the Hudson. A picture of Jim in uniform was taken about this time —already he wears a grave look. School-life for Jim was uneventful and successful. A classmate recalls him as a normal lad of fourteen, naturally modest and shy, a thought aloof among his fifty-four comrades. In class his standing was high. Many Honor-Rolls bear the name of James J. Stillman: (The "J" disappeared later in life). He led his class for February and May of 1864 and was close to the top for January and July of that year. For 1865 his record is equally good, he stands among the merit group. Every aspect of his school work displays what a classmate terms "his zest for intellectual acquisition and an incorrigible exactitude in his work at all times." When it came to athletics he was less interested; he did what was required, but took small part in competitive sports and none at all in the general rough-and-tumble.

Although he was a well-developed and healthy lad, he did not appear to have a rugged physique and the military training which interested so many of his schoolmates, did not seem to appeal to Jim. It is in doubt whether he ever rose to the rank of an officer. One couldn't say that he was especially popular; he was too reserved and too orderly; he was never to be found among the wilder group who initiated the pranks and mischief. Yet no boy in the school was more trusted and respected; if he seemed at times somewhat colorless,

yet he was known to be "as straight as a string." When the graduates of the Churchill School held their reunion dinner in 1880, nobody was at all surprised to hear that Jim Stillman had made a success in business and was already spoken of as a rising man.

For the gravity of the school-boy there was a real cause. During his school years the question of the future had frequently arisen and various alternatives were discussed. With his friends, he looked forward to college and a profession; he was active-minded and wished for further education. Classmates and members of the family think that medicine would have been the career chosen: we know that he attended medical lectures at New York University some years after he had formally entered business, and medicines and therapeutics always interested him. For a brief space in his own mind, he had hoped for a profession, but conditions at home had begun to weigh on his conscientiousness and affect his choice. And truly 1865 and 1866 were not years during which any youth could look forward with confidence to a long apprenticeship. The Civil War was ending in a paraphrase where "Victory was swallowed up in Death." Everywhere was doubt, disunion, confusion; a business situation so long strained, was not to be eased for a decade or more after difficulties innumerable and panics extraordinary. Industrial inflation went hand in hand with depreciated currency, to produce a situation in which the average citizen found himself helplessly

tossed about. Few families could afford college training for their sons, when most of them did not know what their incomes were going to be. Moreover, the Stillman family was peculiarly affected by unfavorable influences during the long absences of Jim's father. Charles Stillman's final return showed his health to be far from satisfactory and in 1866 he suffered a stroke from which he never wholly recovered. Already the mother had turned for comfort and aid to Jim. Therefore, it seemed plain to any eye that her eldest son could not afford to detach himself from the family fortunes through the long wait of a college course and medical school. He must put his shoulder to the wheel without delay and enter business at once.

That it should be the cotton business was inevitable and doubtless his own choice. The question of a firm came about in due course naturally enough. Don Carlos had connections with the Hanover Bank, which with the City Bank, had always been identified with the cotton interests of the South, and the Woodwards who conducted the former institution were his personal friends. At the suggestion of Mr. James Woodward, Jim left school in 1866 to enter the business firm of Smith, Dunning and Woodward, which later became Smith, Woodward and Stillman.

Chapter Three

SMITH, WOODWARD AND STILLMAN

SIXTEEN is full young to enter a business life even when one is as mature as the lad with whom we are concerned. In middle age, he was wont to speak of this early apprenticeship as an advantage, yet he did not fail to show certain effects of the forcing process which in time were to take their toll on his system. Among the most obvious was a lack of physical rest and exercise—he was too young to abandon these as he was obliged to do. At first and for some years he made an effort toward maintaining them; he bicycled daily and recommended the exercise to his friends by the practical method of presenting them with wheels, (as later on we find him ordering one for Mr. Rockefeller). True also, he did not keep as long office-hours as some men, but the continued strain of serious responsibility without real change of thought or youthful sports and enjoyments, showed itself occasionally by sick headaches and other indications of over-tired nerves. An iron will, too constantly in control, is taxing in itself.

A secondary result of this early work is a rigidity of attitude toward life and toward the world which ac-

centuated the natural bent toward Puritanism. Important as it is to be a disciplinarian towards oneself and others, to be exactitude personified, conscientious, and well-balanced, yet surely there is a certain pathos when we find a man of middle age and many millions remarking:

"I have never in all my life done anything I wanted and cannot now."

In other words, the education which the world of 1866 to 1886 bestowed on young Stillman, was a one-sided education and there came a time when he realized that life might have its other sides. Realized, be it understood, yet not regretted! Pride, will, the worth of the task undertaken and executed, despite all obstacles, the domination of duty as he conceived it in terms of responsibility—these were the inheritances of this son of the Puritans. Nor was there lacking the Puritan love of power.

At the outset, one is a little sorry for this young Roman of a generation of Romans. From the first, his burdens were too heavy for the joy of life proper to his age. Those bright, dark eyes of his looked everywhere, saw everything. Among other things they saw that the father who had borne the burden and the heat of the day in Texas was in danger of losing the advantage of his toil from illness and the new conditions now prevalent in after-war New York. If Jim had any lingering hopes of a professional career, the facts soon ended them

for good and all. Plainly, if the family were to be looked after and the ship to be correctly steered, it was no longer the father who was to do it, but the son. The son was left with the cargo in the desert of New York, much as the father had been left, fifty years before, in the wilds of Matamoras.

How the boy responded to this demand is best answered by reference to his account-books, Journal and Ledger for the years 1868 to 1871. These are kept with astonishing exactitude for a child of eighteen, while the whole record is that of a rarely well-balanced mind. There is a charity account of several columns, while the list of personal gifts is by no means inconsiderable. There is no austerity, yet no extravagance, unless a lace parasol for his mother be counted as such. We note that his expenditure for clothing unites practical good sense with gentlemanly tastes. No item is unaccounted for and there is no waste. The accounts show also a mature understanding of his firm's and family's affairs, while the letter-books of the same period reveal this unusual youth conducting long-range negotiations with Mexico, and law-suits regarding the Brownsville property, while attending to housekeeping bills, servant's wages and the personal expenses of his mother and sisters.

In the whole record there is only one naif heading, that of an "Art Account" under which James enters that he purchased a pair of "Bronze Rabbits" for

thirty-eight dollars and a bust of Raphael for forty-five dollars. Thus humbly begins the collecting of the future millionaire!

All family and written testimony, therefore, unite on the statement that in a couple of years after James entered business, he became to all intents and purposes the head of the family and was regarded, by its younger members at least, more as a father than a brother. No wonder that by 1872, (he had then been married for a year to a Miss Sarah Rumrill), we find a Power of Attorney signed in the shaky writing of Don Carlos, in which "I, Charles Stillman, of the City and State of New York and Texas have made, nominated, constituted and appointed in my name, place and stead, James Stillman of the City of New York, my true and lawful attorney. . . ." This instrument which covers every contingency, was not filed until 1874.

Under these circumstances, it is not surprising that this quiet young man with the penetrating gaze and firm habit of mind should early have grown somewhat lordly in his manner. His mother, who understood him better than most people, took counsel with him from the first and all her life opposed him on occasion, even she was soon convinced of the reason for leaving the family finances unquestioningly in the hands of one so entirely competent. Thus, later on, when a new house was in question and a move was deemed expedient, she and her children were simply informed that a suitable house had

been procured. James was still, according to present-day standards, hardly more than a boy when he gave utterance to such a remembered and lordly remark as:

"On business matters, I never consult women: I tell them what they are to do!"

All this has importance for the biographer because it explains so much in after life, because it accounts for what may have seemed unsympathetic. James Stillman never went through that period of unsureness in youth which causes so many of us, recalling it, to be tender towards youth in our turn. If he had from sixteen been weighed on by responsibility, why should others be lightened of it?—Since his youth had been steadfast, unremitting and disciplined, naturally he looked upon these qualities as essential in others—and rarely found them in a more flexible and protected generation than his own. While in some ways easy-going, he was in others a hard task-master, exacting of those around what he exacted of himself.

In addition to this philosophy, there was, of course, all the burgeoning and fruition of his particular talents, causing his whole nature to be rapidly and completely absorbed in business. The accumulated gifts and instincts of those seven generations of successful merchants formed a favorable soil for the growth of financial genius in their descendant. James Stillman's ability was not—like that of so many brilliant people—a "sport," isolated and unaccounted for: it was the direct

and inevitable accumulative result of inherited family tendency, subjected to the peculiarly forcing influences of a special period in American history. "Mr." George, and his descendants had no such opportunity open before them as opened before this young man, in the tumultuous financial era which followed shortly after the Civil War.

"It is not always easy," observes a witty modern essayist "to distinguish the master of the world from the rest of the brute creation. . . . He makes tunnels, but so does the mole. . . . He makes bridges, but so does the beaver. He makes laws, but so (without professional assistance) does the ant." During the period just opening in his history the American might correct these witticisms by pointing to one thing man does make, possibly distinguishing him from the brute to his disadvantage: *he makes money*. Even if we incline to regard this energy as a part of the same instinct which causes the ant to hustle about and repair a ruined hill and the American of 1866 to 1886 to repair the ruin caused by the enormous misfortune of a long war, still the student and the historian who are just beginning to turn their attention to the last quarter of the nineteenth century are unanimous in their estimate of it. The era of great fortunes had begun.

Both the ledgers and letter-books of James Stillman testify to the advantage in training which he reaped in being so early forced to take charge of his father's

affairs and estate. He might otherwise have remained a cotton-merchant all his life, unfamiliar with the broader concerns of finance. Instead of which we find him forced to conduct all that intricate legal-commercial tangle which involved the Brownsville property and to handle many outside investments, some of which were in railways. Many letters in 1869 to 1876 concern the Cayuga Railroad and the Lehigh Valley, in which this energetic young man is trying to assist the reconstruction; there are small investments on his own account, in other important and growing railroad enterprises. A certain amount of real-estate must be managed, rented, kept in order, sold—and all of this is done with patience, clarity and decision. Undoubtedly he soon became more interested in these outside matters than in the routine affairs of Smith, Dunning and Woodward, although he certainly did not neglect them, for he neglected nothing. Those were the days of long-hand and the young man's pen was busy.

The special advantage with which his business provided James Stillman was a vantage-point from which he was able to study and later to utilize certain of the main currents of those varied and important years. The firm was one of the merchants in cotton and hides, having offices on South Street near Wall, and it was in some such merchant house that every one of the great private bankers of the next decade had his training. Money in itself was not in those days any more important as a

commodity than wheat or dry-goods. Competitive commercial business, before the era of capital set in, held the centre of the stage in the United States as in Europe.

James Stillman, like the Morgans and the Brown Brothers, like Seligman of Kuhn and Loeb, like the heads of many other banking houses in America, was a merchant who believed that banking was founded in merchandising and that the principles of banking were rooted in the principles governing the merchant and his trade. So did George Peabody believe; so did Junius Morgan, Moses Taylor and other men of their type. When there appeared in the business world the type of financier like Jay Gould and his partner, the gay and lurid James Fisk, the era of destructiveness which they inaugurated was pointed to by the more conservative as the result of getting away from the sound principles of the merchant class. There is no question that the career of the two men just mentioned gave the "financier," so-called, a bad name for over twenty years, causing the stock-exchange and its activities to be regarded by the more conservative in much the same category as Mr. Barnum's famous circus, profitable no doubt yet hardly respectable. To the end of his life we find James Stillman preferring to speak of himself as a "merchant-banker" and feeling that it was largely because of his mercantile training he had made a success of the City Bank.

After five or six years, the time came when he was

regularly admitted to the firm. Mr. Smith retired in 1872 and the business was re-formed under the name of Woodward and Stillman, the existing partners to possess an equal interest in the profits. Two more partners were admitted six years later, but their interests were, comparatively speaking, small and, until the dissolution of the firm, James Stillman's share was never less than forty-five percent. That it was a profitable business we know by the testimony of the ledger and the letter-books, which show that the young man made a European trip in the summer of 1870 and married a year later.

Preparations for this change in his life are evident in the account book, where the list of gifts increased by certain items from Tiffany's and by the purchase of a pair of horses during that autumn. An order given to Brewster and Company in August, recalls those shining and elegant barouches of the eighties—and one can be sure that if James ordered it, he chose the best that was to be had. Shortly afterwards his success enabled him to start a farm at Briarcliff and then, realizing his boyish dream, he came to own that lovely hillside at Cornwall, which since 1870 had become identified with his family, and here the breeding of cattle came to interest him and the letter-books for some years to come are taken up with the fine points of cows and calves.

Meanwhile the training-school of his business had become more and more valuable and absorbing: much

of its success was due to the congeniality between the two partners. William Woodward was fifteen years older than James Stillman. Born in Maryland, he had established himself in the cotton trade of New Orleans until the Civil War took him to New York. He was a genial man, able and energetic, who from the first appreciated his junior and pushed him. Exactly opposite in temperament—for Woodward was social and hearty, while Stillman we know, was shy and inclined to be stiff and formal—, their marked abilities drew them together. In all the policies of their business they saw eye to eye, while outside it they became close friends. They enjoyed each other's society and for awhile shared a yacht named the "Wanda" on which they cruised during holidays.

Mr. Woodward's experience gave him a larger share in the firm's activities than that of his junior, who was coming to be more and more absorbed in those outside interests which had begun to lead his mind in the direction of finance. There is no evidence that this was displeasing to the elder man; he was one of the first to see and to value James Stillman's extraordinary flair for all that belonged to money and banking. Mr. Woodward's southern connections had brought him into an advantageous position for the sale of his cotton to the New England mills, just now recovering from their long prostration, and his great ability caused him to make full use of them.

Although he acted as the firm's cashier, James Stillman, was more or less free to begin the practice of going about among the more important men of his day, studying, observing, deducing, watching movements and prices, that was to become a habit of his business life. He made it his affair to know most of the financial men around him. His partner was closely related to the Woodwards of the Hanover Bank; Charles Stillman's affairs had usually been conducted through the City Bank, then solidly progressing under the guidance of old Mr. Moses Taylor. Here were two important contacts for the young man, who went in and out of those unpretentious offices, presided over by grave gentlemen with side whiskers and string ties; listened carefully to what they said, (which caused them to think well of him,) and learned all that there was to learn. What he thought of them, we don't know, because he seldom told, he was not a cynical young man, he too was serious and interested.

On them the effect he made was marked; with a difference of almost half-a-century between them, he was yet accepted as one of themselves. He was the "banker-merchant" type *par excellence,* only with certain qualities added, certain audacities and breadths of view which later on were to make them gasp. None who came into contact with this quick, quiet, accurate youth but was struck with the fact that he showed the chief characteristics of the banker. He was cool and wise and loyal—

above all loyal, with a loyalty which instinctively puts bank or business first, makes of it, as we say, a religious tenet and doesn't see or realize that life may ever come to hold more vital loyalties.

Charles Stillman died in the autumn of 1875. His son, in a rarely-frank letter, written toward the end of his own life and under the shadow, says sorrowfully that they hardly understood each other, that he had thought his father harsh. The death makes little change in those letter-books which hold the record of James Stillman's activities; he continues to transact the family affairs in his own careful, decided way. He sells real-estate, he corresponds with Philadelphia financiers on the subject of the Lehigh Valley Railroad; he keeps the accounts as Treasurer of Trinity Church. Patiently, oh how patiently, he threads his way by letter and telegram through the maze of Mexican intrigue and legal delay over the settlement of affairs at Brownsville. In 1876 he sends John Sterling down there to try and straighten them out and we wonder what "Lord John" thought of it.

And all the while the era of the Civil War was passing and the world which was to be James Stillman's was struggling into being.

Chapter Four

THE BUSINESS WORLD

ALL wars are followed by a period of moral collapse and when we turn to the history of our Civil War we find that it is peculiarly the realm of business in which this was manifest. After 1866 private morals seemed little affected—there was no such outbreak of violence and licentiousness as society is just now passing through. But in everything which regarded finance and commerce, as Mr. Noyes points out, "Moral sense seemed for a time to have deteriorated in the whole community. This is plainly marked by such a succession of episodes as the plundering reign of the Tweed Cabal in New York City; the impeachment of President Johnson for purposes of political revenge, the infamous gold market conspiracy of 1869, into which the ringleaders very nearly dragged the Federal Administration; the rise of vulgar and dishonest railroad speculators to public eminence; the notorious corruption of the courts by such adventurers; scandal fixed upon Congress by the Credit Mobilier disclosures and on the Administration by the Belknap impeachment trial."

When we glance at the extraordinary business era

in which James Stillman was trained, if not with his eyes, at least with the gaze of our later knowledge, we see that it must have contained much that was significant to this descendant of Puritans. As he surveyed and considered the opportunities, the methods and the business men of his day, one can fancy the reservations of his cool young judgment and the keen—if doubtless unspoken, generalizations of his logical intellect.

Opportunities, in the first place,—as we look back upon them now—must have seemed enormous. While it is true that the South was exhausted, yet that very period of quiescence tended to be an important factor in the development of the West. The energy flagging in one section of the country was pouring across the prairies into the cities and railroads of another.

Within eight years of Lee's surrender, the railway mileage of the United States was literally doubled. Only a fraction of this increase belonged to the transcontinental lines which linked the two oceans in 1869. Quite aside from the eighteen hundred miles of the Pacific Railways, upwards of thirty thousand miles of track were laid in the United States between 1865 and 1873. Four noteworthy economical developments accompanied this extension of the transportation system. A fertile interior domain, hitherto untouched, was opened up to industry. With the rush of population to these western districts, not only did the disbanded army resume production without industrial over-crowding

such as followed the Napoleonic Wars, but provision was made for three or four hundred thousand immigrants annually. European capital in enormous volume was drawn upon to provide for this development. Finally, the United States rose from the position of a second or third commercial state to the first rank among agricultural producers and exporters.

"It was with the close of the Civil War that financial America first became an influence of great importance in world-finance."

Young Stillman, unmistakably, was fitted to anticipate the form which certain of the problems were to take. He was far-seeing and when most of the men around him were bounded in their outlook by the situation caused by the currency depreciation of the sixties, he was looking forward to and beyond the specie resumption of 1879.

Such were the opportunities for the future; meanwhile there was the present to be got through and the ten years following cannot have been easy, however prosperous was the firm. They must have been tremendously educational, those years. The Overend-Gurney failure of 1866, which left England in a state of collapse, one of the worst in her commercial and industrial history,—had caused a heavy strain on the American markets. Inflation and the peripatetics of the government in dealing with its dangers, precipitated the panic of 1873, which left the country's "finan-

cial structure a ruin" as Mr. Noyes tells us. Panics, thus, came early in the experience of James Stillman.

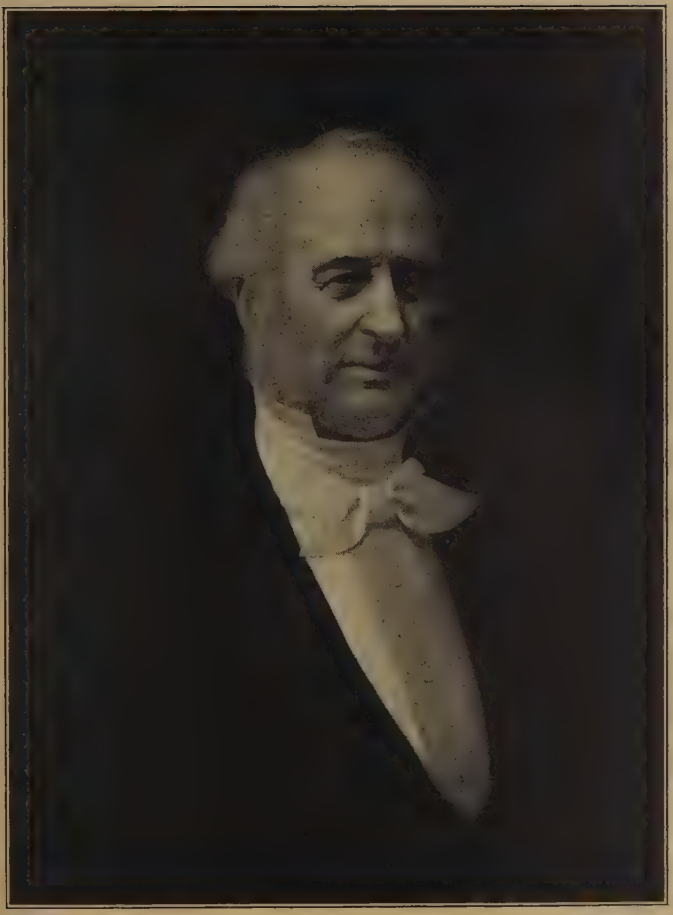
The panic of 1873, moreover, was marked for him by one or two incidents, which he liked to recall in later years. It was during the height of the excitement, when money had risen to three hundred and sixty-five per-cent or even higher, that the young man walking down the Street in the midst of the crowd, under the impact of all those waves of terror and tension, met an acquaintance who told the desperate tale which had become a commonplace of the hours. This man had tried to get money and could obtain none from any bank at any price; he was in direful need of a few hundreds and would part with a share of City Bank stock if he could get cash for it. The point was that nobody had cash, nobody had credit, nobody had anything! Is it not significant of one trained in Moses Taylor's school that James Stillman then and there produced the bills; and folded carefully away in his pocket the little oblong of stamped paper? He knew City Bank stock was perfectly good; its President was indeed actively lending to try and relieve the strain. This was James Stillman's first share of City Bank and he used to show it as a sort of mascot.

Perhaps it was on that day or the next, that he was sent by his father to try and collect a loan which Charles Stillman had made to Addison Cammack, the speculator. He found Cammack in Charles Osborn's office, with one

or two others, among whom was Cornelius Vanderbilt, all of them looking very gloomy. When the young man made his demand, Cammack refused point-blank, in amazement that anyone should expect to get money at such a moment. Stillman, however, insisted in his cool and firm way, merely saying that of course in event of a refusal his father must at once take legal measures. "That's all right!" said Cammack, a big, genial creature, "you can't get anything by that! Why, look at us—none of us here have anything! Even the Commodore's busted!"

It seemed dreadfully convincing at the moment. Later on James Stillman used almost to laugh at the thought of the Commodore—with his miles and miles of real estate and railroads—going "bust" like all the rest of them!

The name recalls a vanished figure, one of the most picturesque and familiar to New Yorkers in those days, who must often have seen that superb-looking old man driving his lovely young wife behind a pair of fast trotters in Central Park. Young Mr. James Stillman must have known all about him, both the truths and the legends—his genius for the organization and economic operation of railroads, his daring as a speculator and his great fortune, his temper and his vanity. Had he not proposed to erect a monument inscribed with his own name, placed side by side with that of Washington? Was he not amazingly superstitious and a frequenter of



Pach Brothers

COMMODORE VANDERBILT

from a portrait in the New York Chamber of Commerce

fortune-tellers and spiritualists? One may indulge the fancy that as the younger man waited there in the elder's presence, a question flashed into his mind which he did not ask. Had the Commodore really raised the ghost of Jim Fisk to consult him in stock-jobbing ventures, as everyone said he had?—and, if so, how stupid to consult Fisk, when abler men were rising now on all sides!

Cornelius Vanderbilt was to live but a few years beyond the panic of 1873 and an era vanished with him. Yet he was not altogether typical of that era. He was like the baby in the Irish folk-tale, whose soul was stolen while it lay in the cradle and that of an elf inserted in its place. His striking appearance, fine features, black eyes, snowy hair and stateliness of manner gave him the air of a dignified prince, which made it all the more startling to find that this vision was frequently uncouth, that his grammar and spelling were more than doubtful and that his attitude toward the law of the land was often that of a naughty school-boy. When his counsel objected that some railroad plan of his could not be carried out because of a statute—"You don't suppose you can run a railroad in accordance with the statutes of the State of New York, do you?" the irate old man is reported to have asked. Yet he was no Gould, he left solid construction behind him and of all the monuments he liked to erect to himself, the New York Central

remains the most impressive. He died in 1877, but it was really in 1873 that he and his period came to an end.

Some one has said that the panic of 1873 should be called the last battle of the Civil War; it is true that after that was over, there was a certain slackening of tension, a certain perceptible relaxing of life to levels more normal. With the resumption of specie payments, the financial situation steadied and business men began to regard the future with more confidence. Relief was not immediately apparent, however, for the historian tells us that "failures were more numerous and serious in 1877 than in 1874 while in 1878 the record of insolvencies far exceeded that of the panic year of 1873."

Five years of liquidation had been succeeded by a series of commercial windfalls and by 1879 the United States had begun to dominate the foreign markets. Prosperity mounted high and the firm of Woodward and Stillman was borne along on that wave. Speculation steadily advanced and despite reactions, (one of which in 1880, seemed to have temporarily wrecked prevailing values), continued to move onward in correspondence to the stimulus of increased opportunity. "The prosperity enjoyed by the United States was real and its foundation solid, a fact which nothing proved more clearly than the manner in which the markets sustained re-actions." The partners in Woodward and Stillman did not fail to note with a far-seeing eye, the effect which the wave of new energy and enterprise was

going to have upon the railroads, whose growth and manipulation became one of the foremost problems of those years.

A remarkable era of railroad construction followed. More rapidly and in larger numbers than ever before, immigrants flooded the ports and began to move west and south, in response to the efforts of the railroads to open up places of settlement in such arable lands as were still unoccupied. About the time that James Stillman was making his first railroad investments, a young man named E. H. Harriman, was seriously considering the practical problem of extending and improving the Illinois Central.

Among the letters of James Stillman, railroads and their affairs begin to be mentioned with some frequency. He made an effort in 1881 to interest Jay Gould in a certain Texas-American Railway and he appears to have found that financier—just what other people found him. Interesting Jay Gould in a railroad was a good deal like leading a hungry tiger to a newly-killed buck—and then suggesting that he should give one a share of the meat! James Stillman profited by the incident, if only in experience of life, for he seems to have decided it was not worth his while to wait for the pickings.

In Mr. Noyes' "Forty Years of American Finance" the notorious little financier with the black beard is not spared. The account deserves citation here.

"This rapid interior development gave legitimate opportunity for extension of the transportation industry, and prompt use was made of it. Unfortunately, the spirit of speculation which pervaded all other markets governed the railway market also, and though it served at the time only to emphasize the seemingly irresistible movement of prosperity, its permanent results were mischievous in the extreme, and will be found playing an important part in later episodes. The seeds of so many future disasters to this important industry were sown in the resumption period, that it will be advisable to notice here exactly what happened at this epoch of its history. The performances of 1868 in the railway market were not, to be sure, repeated. The open robbery, the fraudulent stock issue, and the judicial corruption which marked the earlier history of the Erie, for instance, had disappeared with the other appurtenances of the vulgar inflation period. They were replaced, however, by another form of plunder on a larger scale. The combination of scattered railways, covering half a dozen interior states, into systems under single managements, was a normal and necessary outgrowth of the new expansion of the West. In many instances it was wisely and prudently managed. But with the prevalent spirit of speculation, it gave almost boundless opportunities to shrewd and unscrupulous capitalists with one hand on the Western Railway coalitions and the other in the stock market.

"Most unfortunately for the transportation industry, the leader in the movement was Jay Gould, whose disreputable record in the railway and gold markets of the inflation period made his appearance in the field after resumption sufficiently ominous. Few properties on which this man laid his hand escaped ruin in the end. He mastered more com-

pletely than any other promoter in our history, the art of buying worthless railways for a song, selling them at fancy figures to a solvent corporation under his own control, and then so straining the credit and manipulating the books of the amalgamated company as to secure his own safe retreat through the stock market. He was not a builder, he was a destroyer, and the truth of this statement may be easily demonstrated by tracing out the subsequent history of the corporations which he got into his clutches. That Gould had a genius for making combinations is unquestionable; but in almost every instance—the Wabash Railway, the Union Pacific, the Missouri Pacific, and the elevated Railways of New York City are notable examples—he obtained this power by tempting other men to join him in a speculation for personal profit acquired through methods which sapped the financial resources of the properties concerned. In some properties, as with the Western Union Telegraph, he forced a reputable concern to admit him to partnership through the shrewd and daring use of a species of corporation blackmail, in which he was always an adept. His favorite method of operation was exemplified in the purchase of the Kansas Pacific in 1880 by the Union Pacific, on the basis of new Union Pacific stock, exchanged on equal terms for shares in the smaller company, notwithstanding the fact that Kansas Pacific was earning nothing, while Union Pacific was earning and paying six percent per annum. Gould and his confederates, of course, played this particular game through the stock market, where it was easily possible for any one aware of the purposes of the two companies to buy Kansas Pacific stock at nominal figures and sell it out in the advance accompanying the announcement of the combination. At the close of 1880, it was possible to say that Jay Gould con-

trolled every important through railway route west and south-west of Saint Louis, except the Atchison, Topeka and Santa Fé, and the Atlantic and Pacific. The opportunities for mischief of this kind, with such power in the hands of such a man, were almost unlimited."

Such was one of the more prominent figures in the world on which James Stillman looked. From the windows of the office at 65 South Street, he must have watched many others pass, "successful" men of those days—but now only too often regarded as parasites of their age or pointed out by economists as examples of what to avoid. To young Stillman they were very interesting and he set himself to learn from what he saw. Banking and the new methods just coming into vogue had always absorbed him, we are told that even then he had definite theories regarding them and had noted the extremes manifest in the attitude toward finance of the period.

On the one hand was the conservative, the solid type, exemplified in the person of Moses Taylor, with whom he was accustomed to have long talks which much influenced the trend of his mind. On the other hand, there was the "new" school of bankers, governed in their ideas by the dawn of the great age of advertisement—the last quarter of the nineteenth century. One of the chief of these, the Civil War banker, Jay Cooke, has been termed "a sort of financial P. T. Barnum," whose successful brass-band bond-selling campaigns were imi-

tated during our own day in the Liberty Loan drives of 1917. On the Street, James Stillman beheld the rise and fall of promoters, speculators, stock-jobbers—"Osiris, Isis, Orus and their crew." Some of them were amusing, from the genial, well-liked Addison Cammack, to the more naif figure of Jay Gould's late partner, James Fisk, prancing ahead of his regiment like a village fireman, or swaggering in his red velvet waistcoat in and out of a flamboyant barouche. Fisk was very much dominated actually by the brains of that shrewd little peddler, his partner, and some people thought it was just in time, when he finally got himself shot on a singularly undesirable front staircase in 1872.

Probably young Stillman, like every hundred percent American, felt respect for anybody who made money, but we know that such folk and their ways made no appeal to him. They were merely the froth and foam, the flotsam and jetsam, left behind by the tidal wave of war. His own ideas were always essentially constructive. About this time his mind began to project and visualize all the possibilities lying before great associations of capital and great consolidations; to consider how large institutions might safely grow larger. The definite mercantile success of his business furnished him with a viewpoint from which to survey these opportunities; but one never got anywhere by standing still. His study of these things, his reflection upon them and his quietly-assiduous seeking-out of the men who

were likely to bring them about, caused him to be naturally accepted as their associate. One of his friends, Mr. Wadsworth, became President of the Chicago, Milwaukee and St. Paul Railroad; it followed that in 1884, James Stillman was elected to his first Directorship on that Board. A year later, he also became one of the Directors of the Hanover Bank. He was thirty-four years old and had ceased to be what one may call an undergraduate in the university of the world.

All these things, the directorships and the contacts with men who were also rising to prominence meant an increase in that pleasant sense of personal success. Life partook of this and became fuller. His young wife was fond of society and the new ménage liked having its friends.

"There was quite a lot of entertaining in those days," says one of these, recalling that time. Many small, agreeable dinners took place in the cheery manner of the eighties, which had not yet turned to stateliness.

From 1875 onward, the Stillmans saw much of their old acquaintances and made new ones. Summer holidays were not now all spent at Cornwall but also at that new resort—Newport—although the latter never took the place of the former in James Stillman's mind and never could. One went because it was done, it was part of the picture; and then he had sea-faring blood and loved yachting. There was the "Wanderer" before the "Wanda." Also, there were now young children in the

nursery to be planned for and thought about; always with that feeling of deep responsibility which was so characteristic of his ideal of parenthood. He always loved tiny children, especially when they were too young for the disciplinary idea to interfere with his enjoyment. A letter in 1880 tells of the illness of a beloved little daughter, sorrowfully describing how the fat ankles which the gaiters used to pinch, had wasted away so the latter had grown too loose to button. "I am with her almost day and night," the young father writes. . . .

It was a regular and active life, including all that life was supposed to include in the eighties; church instead of golf on Sundays and a great deal of time spent with one's family. Church attendance wasn't neglected, until his pastor's behavior shocked him out of the habit. Thereafter, his interest flagged and values seemed to shift, so that the Bank came for him to take on that sacrosanct emphasis which many people attach to their church and its affairs. Probably this was unconscious, but it was true none the less. He was born self-reliant and this strength made his business seem (under God) the special duty of his religious nature. A certain emotional chord underlay that nature; yet "God helps those who help themselves" was his motto.

Meanwhile, during those years, there was work in season and out of season. We see James Stillman so very busy, shipping bulls to Cornwall, sending the family off to Newport; making investments for distant friends,

(he was a good deal of a believer in this new Standard Oil Stock), taking photographs of the cows' udders and keeping the accounts of the church; running down, now and again to the old Laurel House at Lakewood; writing letters concerning Mexican affairs or the health, studies and religious phases of his boys at school. (It should be observed that health seemed of the deepest importance in his mind at all times.)

His recreations were still bicycling and photography, with occasional yachting, although in time, growing pressure of work crowded these out. Always, he was dearly fond of the out-of-doors, with all that it meant in the sowing and planting of shrubs and crops, and liked walking about his farm at Briarcliff or later on, the Cornwall Estate, very quiet, very observant, with an eye to the wild flowers. He used to come in bearing a spray of the tiny wild pink, which was his favorite. Years afterwards—in a letter from France, we shall find him speaking of it with affection. Yet one gets an impression that a real, absorbing interest in these outside things came rather later, that during the eighties his mind was pretty wholly occupied with the tremendous business of getting on.

That "getting on," in the sense which means getting into the front rank of the New York financial world, was indeed a tremendous business, one to absorb all a man had of energy and imagination, we need only to look back upon that last quarter of the nineteenth cen-

tury to feel assured. The history of American finance has yet to be written and may well prove one of the most significant chapters in the history of American genius. Only genius could have evolved in less than a century the complex fabric of modern credits, the daring and intricate methods by which sums are called into being, handled, expanded or restricted at will. Today, we take all these methods as a matter of course, so it is well to pause, if but to marvel. Of their endurance we have after all no warrant. Unlike the artistic, financial genius seems to build but for a little while.

This picturesque epoch is well worth surveying in the light of the twentieth century, both for its incidents and personalities. Swift and full ran the current of creative energy, from the resumption of specie payments to the reaction after 1901. Of James Stillman, it was said by a member of his own family, "that he took full advantage of this tremendous current and let it carry him forward, that by his tact and good-sense he never interfered with it." From now onward these pages will try to show how this was done and with whom.

Chapter Five

MOSES TAYLOR AND THE CITY BANK

THE year 1882 started a strongly reactionary movement to which political influences contributed and which was not to spend itself until after the sharp collapse of 1884. Mr. Noyes points out that the movement was typical of the general liquidation, and that "the wind was rushing out of the balloon of speculation."

"During a good part of the year, the strongest capitalists and speculators were kept busy denying reports that they had been selling securities. Most of them, like Mr. William H. Vanderbilt, answered the accusation by liberal prediction of prices still higher than the inflated values lately prevalent. Mr. Jay Gould evolved the characteristic expedient of exhibiting to a select committee the contents of his safe, comprising $53,000,000 railway and telegraph share certificates made out in his own name. This, too, was designed to prove that the owner of the shares was not a seller. Nothing, however, to an experienced eye could better have proved the existence of liquidation than these careful efforts to disprove it. As a matter of fact, all of the markets were moving downwards by the middle of 1882."

In May 1884, the stock markets underwent a violent upheaval and there was a resulting outcry of disgust on

the part of the public by the discovery of several vast financial frauds. By the performances of John C. Eno, of Grant and Ward and the Marine and Metropolitan Banks, it would seem as though the financial community "had lost faith entirely" as Mr. Noyes phrases it "in the honesty and credit of its members."

The year 1884, which was that of Cleveland's election was a very important one to many people. To James Stillman it was the most significant of his business life thus far. His election to the Board of the Chicago, Milwaukee and St. Paul Railroad first brought him into contact with William Rockefeller and the two men became friends. The Standard Oil Company had been, for a couple of years past, established at "Twenty-Six Broadway" and this was near enough to Wall Street for the powers there to recognize that a corporation controlling a basic product like petroleum was well on the way to control other basic factors, including wealth.

Historians of the Standard Oil Company have pointed out that William Rockefeller bore a far larger share in its development as a financial power than has been supposed. Public opinion has laid the whole responsibility for the policy which inaugurated that power to the credit (or, as some put it, to the discredit) of his more famous brother. William Rockefeller appears to have been more widely liked; he was by nature more genial; he was less of a fanatic; he was known occasionally to recognize another man's point of view. He had

none of the quasi-religious zeal which gave to his brother that air of seeking a martyr's crown for the sake of the dogma of rooting out the heresy of Standard Oil competition. William Rockefeller was more of a man of the world and less of a sword in the hand of God. Incidentally, he did not become so rich. To James Stillman his personality was congenial and for characteristic reasons.

"I like him," he commented and, "because we don't have to talk. Often we sit for fifteen minutes in silence before one of us breaks it!"

At the same time, Mr. Rockefeller was just as definitely a believer in strong centralized Government, a doctrine which the Standard Oil had borrowed (with certain other doctrines,) from the Roman Catholic Church and James Stillman's constructive intelligence was quick to see its force. Almost his first express policy, when head of the City Bank, was in favor of building up therein a strong central government.

His contact from now onward with the Rockefellers and their methods was not without effect upon his own.

Like them he was incorrigibly attentive to details and almost passionate in his hatred of waste. The efficiency of the Standard Oil management drew forth his admiration and confirmed him in his own plans. He was early in buying the stock of the new Trust and in recommending its purchase to his friends. How could it be otherwise when we remember that he was as far-

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JOHN D. ROCKEFELLER

from a copy of the Sargent portrait, in the New York Chamber of Commerce

seeing and careful as they? It is told of John Rockefeller that he wrote to ask a certain refinery to explain what had become on its budget of five hundred and eighty barrel bungs—an item about as important as a paper of pins. These influences must not be forgotten, for we remember that James Stillman was still in his thirties; they may partially account for the development which made him at forty, supremely competent. More than all, to a man so shrewd and so far-sighted, the part that the huge profits of Standard Oil were bound to play became evident almost from the start. He saw that the Standard Oil heads were certain to become their own bankers, long before he saw that he was destined to become their banking representative.

The friendship, beginning as it did through business contacts, became real and close to both men. In time, marriage between the families cemented and confirmed it. One of the most open and expansive letters that James Stillman ever wrote, was to his old friend's widow during the Great War, when he was under that shadow and was entering, he more than suspected, another shadow from which there is no emergence. His words were full of the loyal tenderness of that past friendship, which had long left the business end behind them both. But in this year 1884-1885, it must have begun as a friendship of interest.

If this part of the chronicle seems to hold little else than business, one must not forget how much of busi-

ness there was during this part of life. Ideas, ambitions, personality were almost wholly absorbed by it, that powerful conscientiousness was roused by it, mental activity spurred it on. Daily meetings with men also rising, renewed the competition for success; breath drawn at each day's beginning was in determination to make that day count. These fiery instincts were not peculiar to James Stillman. They were shared by every successful American of that building generation—and when we cry that they lived and died in harness, it was the Time Spirit and the national genius which held the reins and drove them on.

At no time, during this period or later, are we dealing with an unfurnished mind or with a colorless personality. James Stillman had marked interests and inclinations, natural and cultivated. He loved the hills and the sea; he had an instructed and careful taste for beautiful objects, though little greed for them; he liked the dignities of life; he sought the society of active-minded men who knew and did things and enjoyed learning from them. He had all this furniture in the rather formal building of his mind; but there were years when he deliberately set aside the superfluous—as a surgeon works best in a bare room.

Among the questions of general policy so freely discussed between the partners in Woodward and Stillman, was that of solidifying their position by the purchase of an interest in certain outstanding banks. Mr. Wood-

ward had naturally directed his attention to the Hanover Bank, of which his brother was President and had acquired considerable stock in that institution. It was suggested that as James Stillman's father had been a Director of the City Bank, his son should strengthen the firm's interests there. That first share of City Bank stock, bought during the panic of 1873, had been steadily followed by others and James Stillman was elected in 1883 to take his father's place on the Board of Directors. The City Bank had grown greatly in reputation during and after the Civil War, when the steadily patriotic and conservative character of Moses Taylor made the deepest impression on his contemporaries. For years before Moses Taylor died and during the Presidency of his son-in-law, Percy O. Pyne, James Stillman had gone on buying City Bank stock while his personal impression on the Board of Directors—of which he was the youngest member—was one of marked ability and strength.

When Mr. Woodward died, the firm of Woodward and Stillman was dissolved and reformed and the younger partner was beginning to feel a certain dissatisfaction with the field it afforded him. He felt deeply the death of his intimate friend and associate and for awhile, knowing that he was more than well to do, James Stillman even contemplated retirement. There was a period when he evidently longed to get his mental furniture, as it were, out of storage. He wanted more

time for the family, now at the school-age and always tugging at his conscientious sense of parenthood,—for the out-of-doors, for travel. Yet he was but forty, and these were stirring years, years of heavy imports, of railroad building, of active markets and the rise of great industrial combinations. We know he thought, he spoke of retirement, but he had too much ability ever to have meant it.

On the death of Mr. Pyne in 1891, when James Stillman's name was mentioned for the Presidency of the City Bank, it was as the name of a Director, a large stockholder and as a man favorably thought of by Moses Taylor himself.

The Presidency was duly offered, and, after some hesitation, accepted: not without the mental reservation that he would try the banking world for a year and see how he liked it. So James Stillman entered into his kingdom, whose history and geography it behooves us in this place to survey.

Someone said of Alexander Hamilton that "the United States was the product of his bookkeeping" and even if this epigram be questioned, there remains the truth that he fathered the banking system of the country. There he lies in Trinity Churchyard and around him, gigantically housed, rises the gigantic system he created. That formal cenotaph, the pyramid, the urns and the flowing, perfunctory inscription—how small they seem for the spirit which they commemorate!

From far up Wall Street one may look back, to see a shaft of sunlight touch that pointed stone and turn it into the likeness of a flame, eternally rising.

When in 1791, Hamilton established the First Bank of the United States, this immediately took precedence of then existing banking houses and became the most important financial institution of the country. Hamilton was Secretary of the Treasury at the time and his far-seeing genius perceived that there was room in the country for another financial creation as important as Robert Morris's Bank of North America. In 1811, the charter came up for renewal, but the Senate was divided upon the necessity and the bank was forced temporarily out of existence. The New York branch was closed, an act which brought immediately before the high-spirited merchants of the City their imperative and independent needs, so that the movement to organize an institution of similar kind was not delayed. The City Bank of New York was started; the very name springing from a determination toward independence very characteristic of the New York merchants of that day.

It was arranged that stockholders in the defunct Bank of the United States might exchange those shares for shares of the new City Bank; and as this exchange included more than a majority of the original capital, it is proper to speak of the new institution as the direct descendant of Hamilton's project. The first home of

the new enterprise was the same room which had been occupied by its predecessor, the Bank of the United States. This was in Wall Street, a locality which had been for a century nothing but the well-worn track leading to a Dutch farm-house and dominated by the flapping arms of a tall Dutch windmill. Only since 1780 had the district been solidly built up by houses known as the January Buildings and it was not till 1790 that these were converted into offices, one of which was occupied by the new bank. Here for years it remained next to a handsome private dwelling and from this locality it has never been removed.

On June nineteenth, 1812, three days after its incorporation, the first Director's Meeting took place in Tammany Hall, with a roster of solid names including some of those still prominent in the family history of New York. "All these directors," writes the Bank's historian, "were leading citizens with a background of substantial achievement. They were sturdy Americans, courageous, independent, yet in bearing and methods still holding to the dignity and conservatism of the old world system. Their Wall Street was not a canyon flanked by great banking institutions. It was a leisurely thoroughfare, where the affluent merchants and importers of raw materials and coffee, tea, sugar and spices held forth, where carriages passed up and down with considerable elegance and much noise, as steel hoops struck relentless cobble-stones, where ladies in large

floppy hats, flowing dresses belted just under the armpits and little shoes tied with ribbons to their white cotton-clad ankles promenaded of an afternoon, or turned into William Street to look over samples of the latest Parisian styles as decreed by the Court of Napoleon. Nor were these Directors who met on June nineteenth themselves entirely oblivious to the styles of Europe, for they wore tall hats and high stocks with perhaps a bit of lace running down the front into their closely-buttoned coats of deep blue, dark green or black. Their trousers of a lighter shade were tight-fitting with a loop passing under the shoes to keep them taut." We read with interest from the minutes that the salary of the President was fixed at two thousand dollars; while that of the Cashier was twenty-five hundred dollars. Almost the first action of the Board was to elect a porter, which was done with a good deal of time and circumstance; the choice falling finally on a certain Mr. Thomas Darling, who received a salary of four hundred dollars per annum.

There is no mention or suggestion among the minutes of this first meeting of the thought which must have been present in the minds of each one of those honest Directors, viz: the unfortunate circumstance surrounding the birth of this new enterprise. War had been proclaimed with Great Britain the very day before. Upon the new Bank fell, therefore, at the outset of its existence, the burden of War financing and of supporting the Government. In February 1813, a war loan of

sixteen millions was offered, and of this sum the City Bank subscribed on its own account five hundred thousand dollars. A second bond issue offered by the Treasury followed in May 1814 and the City Bank subscribed a similar amount. From 1814 to 1817 the Bank shared in the evil fortunes of the country, yet it survived under wise guidance that anxious period of threatened invasion by the enemy, as well as later dangers when specie payments were suspended after the fall of Washington. But when in 1825 the Erie Canal was at last completed, there came an impetus to all trade, especially that of the City of New York, by which the City Bank did not fail to profit. It was associated with most of the great commercial enterprises of the times, notably the establishment of the first regular trans-Atlantic service by the shipping firm of Isaac Wright and Sons, whose head became the Bank's fifth President.

Moreover, the City Bank survived, ten years later, one of the worst panics, if not the worst, that this country has ever experienced, not only weathering the storm but maintaining its strength and using this strength to assist others to weather it. On the eve of the panic of 1837, it possessed a cash reserve of forty percent of its deposits, having paid in 1836 a dividend of eight percent and yet increased its surplus. Thus through the Bank's entire record it had acquired a reputation for conservative policy and safety even before it passed into the control of Moses Taylor, with whom, in his private

office, young Mr. James Stillman used to hold those long and instructive conversations.

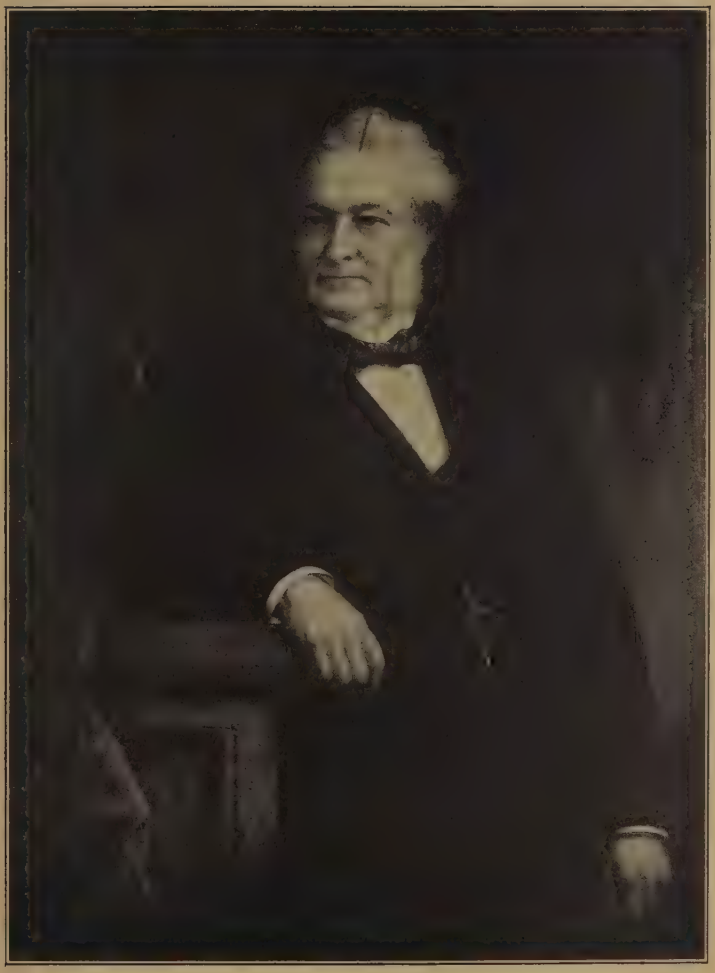
Ability is apt to recognize ability and this Moses Taylor was a remarkable person. His portrait, hanging in the New York Clearing House, shows us a side-whiskered gentleman with thin, firm features, a look of great alertness, and more hair than is customary among bankers of today. He wears one of those narrow black bow ties of the Civil War period and he has a mouth at once kindly and non-committal. Moses Taylor was a merchant of the merchants and had started his business career in the big West India trading-house, whose interests were wide, whose ships were many. When young Taylor was only twenty-six, his firm offered him a partnership, but he had the courage to refuse. The time had come, he felt, to start out for himself, and in his plan he had the active backing of J. J. Astor, for whom Taylor's father had acted as a commission agent. This was in 1832. He set up in business at the foot of Wall Street, next door to the Howlands and embarked largely in the importation of Cuban sugar.

These were the days of expanding trade, when American ships were known all over the world, but the American financial system did not then keep pace with it and our enterprising traders were not always sound financiers. Success could not fail to come quickly to this great merchant with the banker's *flair*. Not only did he make money, but he kept it—the greater feat of

the two—and it was undoubtedly from him that James Stillman learned the value of always having his money ready, as we have seen in one small incident during the panic of 1873.

In an earlier panic year of 1837, Moses Taylor was able to lend widely on commercial paper, to the profit of his business. Eighteen years later, he had become the outstanding merchant of his day—perhaps the greatest of "our merchant princes" as they used to be called, and thus naturally gravitated to the head of the City Bank. The uneasy financial epoch following 1837 had found the Bank holding its own if no more; and Taylor had hardly been President a year, before the collapse of 1857 befell to test its resources and his leadership. A similar situation tested James Stillman in 1893 and it is suggestive that both of these men emerged from the crisis with heightened prestige.

Taylor was the embodiment of austere and autocratic virtues. He arrived at his office on foot at nine o'clock and from the dais where he sat, could survey his kingdom with a keen eye. He was perfectly firm and individual: he would not even mail their dividends to stockholders, but made them come to him and collect them! He had always cash in hand. After 1857 he went into the market and bought up the Delaware, Lackawanna and Western Railroad "paying cash, exactly as he would have bought a horse," Mr. Moody puts it. The purchase made him one of the first railroad



MOSES TAYLOR

(from a painting in the New York Clearing House)

magnates. His pride in the safety of his Bank caused him to set the precedent of an unusually large cash reserve. While strength was his first thought, expansion was not forgotten. If a bank shows strength during bad years, it becomes the place where everybody wants to keep his money. Moreover, Taylor's wise judgment and foresight were equally sound, whether it was a question of new enterprises or of old connections. He handled, with a vision beyond his day, the long and difficult financing which took place in connection with the laying of the first Atlantic cable. He was treasurer of the Cable Company formed by Cyrus Field, Peter Cooper and Edward Kavanagh and but for his steadfast confidence in the project, it might well have been abandoned. A number of the stockholders had lost heart from the many setbacks they had received; but Taylor's dominant personality held the company together and succeeded at last in overcoming all obstacles. At the same time, his bank continued to grow and the rich Cuban sugar planters were content to leave their deposits in his hands, as well as the United States bonds into which they had converted their savings.

Moses Taylor was one of those wise men who never allowed immediate profit to cloud his view of what was necessary as a citizen and as a man. Never were these qualities shown to greater advantage than during the horrible financial strain of the Civil War. Chairman of the Loan Committee of August 1861, he rendered the

Treasury sound and energetic assistance in every one of the necessary measures. As a result of this, he was offered the post of Secretary of the Treasury upon the resignation of Chase, but Moses Taylor had no wish for such a task and refused, preferring to remain in New York where he might personally direct, during the reconstruction period, the great influence of his Bank with all the weight of his prestige.

Earlier in these pages, it was stated that because of its cotton and sugar connections, the City Bank was the institution through which Charles Stillman conducted his business. Don Carlos was a friend and an admirer of Mr. Taylor and young James was always welcome in the old gentleman's office. Taylor liked the youth and spoke highly of him to others; and although he died in 1882, his personality and influence had made a definitive impression on the subject of this book.

Always had the City Bank been known as the bank of the raw material interests, handling the accounts of the merchants of metal and leather, the new anthracite coal and gas combinations and certain also of the rising Western and Southern railroads. At the time Moses Taylor died, the Standard Oil Company had been but two years established at "Twenty-Six Broadway" and was only just beginning to make itself felt as a purely financial influence on the Street. Yet there is no harm in wondering whether, during one of the many talks this shrewd and far-seeing old man held with the shrewd

and far-seeing young man over forty years his junior,—the subject may not have been touched upon. Might not the City Bank one of these days—we can imagine the younger man suggesting to his tolerant elder, come to add the petroleum merchants to the list of its clients in raw materials?

Chapter Six

THE BANK PRESIDENT

At the time James Stillman took hold of the National City Bank, it was by no means the largest institution of its kind in New York, since more than one other could show double its deposits. Moses Taylor had built less for size than for strength and during the Presidency of his son-in-law and successor, Mr. Pyne, this reputation for solidity had been fully maintained. However, during a decade of active growth other institutions had pushed vigorously forward, somewhat overshadowing the City Bank. Mr. Pyne was greatly liked, he was a conservative and charming man, and a deferential letter to him from James Stillman shows the pleasant relations between them. In choosing to succeed Pyne the youngest Director on the Board, it was felt that progress might be expected, but not one of the group who were responsible for this choice had any idea to what extent this hope was about to be realized.

That the new President was uncertain regarding the congeniality of the post we already know, and this uncertainty lasted for some months. He told a French friend later, that at the beginning he felt he had small

support, save from the Taylor estate, and had to fight the ill-will of certain bankers who did not wish a merchant to enter their circle. But talent is apt to make a man's decisions for him and, almost from the first, the balance-sheets of the Bank began to show that he was making a success. The year of his election, 1891, records its deposits at about fifteen millions, while its Vice President tells us that among their resources were fifty thousand dollars in United States Bonds. Its methods were the methods of the day, which means that as late "as 1889 there were neither typewriters nor stenographers. All letters were written in long hand and each officer wrote his own." Business was comparatively simple and law-suits decidedly rare, although in respect of the latter the City Bank had for many years been well prepared. Upstairs were the offices of Evarts, Southmayd and Choate, a firm with a national reputation for legal skill and success. Mr. Evarts was one of those orators to whom the newspapers refer as "silver-tongued." He had been Attorney-General and Secretary of State for Hayes and at the date we mention, was still serving as Senator from New York. He was very tall, very thin and his usually solemn manner veiled an astonishing verbal quickness. While he was Secretary of State, an applicant for office was presented to his notice by the address of a pompous sponsor who concluded the introduction by saying "and he comes before you, Mr. Secretary, with all his laurels on his brows."

"Then let him browse on his laurels!" was the Secretary's reply. It is also told of Evarts' skill and tact that he rose in court to answer an opposing counsel, who had been banging the table and shouting for an hour or more.

"There are two methods of argument," he said quietly, "that to which we have just listened which I may call the method of *concussion*, the other—generally employed among gentlemen and which I propose to employ, is the method of *discussion*!"

Mr. Evarts' partner, Joseph Choate was equally distinguished. Almost no important piece of recent litigation had taken place without his assistance, although New Yorkers especially connected him with the Committee of Seventy and the break-up of the Tweed Ring. A man of exquisite wit, which as it was more animated than Evarts' is better remembered, Choate was as handsome as he was urbane and delightful. No wonder that such a personality and such abilities were destined to represent his country overseas more successfully than any American since Lowell. The first and last names of this trio were more generally known, to the public, than the one which linked them together, yet Mr. Southmayd's tradition is not lacking in flavor, since he was strong in that conservatism which is the habit of the Bar. Distrusting these new-fangled machines called elevators, he continued during his professional career to use only his legs and the stair-case. The

atmosphere, therefore, of Wall Street and the surrounding district was not lacking in those legal personalities to which the nineties owe a good part of their quality, although the time had not yet come when the chief duty of the lawyer was to teach his client how best to avoid the law.

All this was before the days of John Sterling, the faithful "Lord John" of these pages, and it is not likely that the policy of the City Bank under Moses Taylor had been affected by these gentlemen. They come into this history because they were prominent men of the time and must have watched and commented on the rise and growing importance of the institution on the ground floor. While the subject of growth is dealt with the reader must not be allowed to forget that it was at this time universal. Marked as it was in the case of the City Bank, yet it was not peculiar to that institution. All American banks tended to increase enormously after the crisis of 1893. That year—a panic year—found the City Bank deposits more than doubled and James Stillman's policy began to affiliate it, wherever possible, with the rising business powers of the day.

This included the comparatively new firm of J. P. Morgan, one of whose partners became a director in 1896. If we look into the future we see the development of the Bank from a house with four officers to one employing over twenty-two hundred people.

In 1897, largely under the advice of James Stillman's

personal counsel, John W. Sterling, there occurred the purchase of the Third National Bank, by which the deposits were increased by an additional ten millions. A year later these had risen to nearly one hundred millions; by 1900 the capital was increased to ten millions. We are told that the year 1927 is to mark another enormous increase, and, apropos of this, the editor of the Wall Street Journal takes occasion to recall a talk with James Stillman on the subject, a quarter of a century since.

Twenty-five years ago the National City Bank had deposits of not much over one hundred and twenty-five millions. The new capital and surplus of the bank, after increases become effective, will be one hundred and twenty-five millions. In other words capital and surplus today is as large as total deposits a quarter of a century ago. Deposits of the City Bank today are close to a billion dollars, just seven hundred percent larger than they were twenty-five years ago.

"The late James Stillman was proud of the achievements of the National City. He was jubilant when deposits touched a hundred million dollars.

'When they reach two hundred million dollars,' said Mr. Stillman to a friend, 'I'm going to retire.'

'That will be a long time hence,' replied the friend.

'Not so long,' said the "Sphinx." 'I may live to see National City's deposits at a billion dollars.'

'Not in half a century,' replied the friend.

'Yes, in a quarter of a century,' answered Stillman.

'I think you are dreaming,' said the friend.

'It requires a dreamer to realize fully what a wonderful country we live in,' replied Stillman."

It was a wonderful country in 1893 and there was something wonderful about the man who realized that fact. During these first years of Presidency his quality began to manifest itself. His direct concentration on the object of the moment, his wise vision—the "incorrigible exactitude" of his mind in details could not fail to make themselves immediately felt. His judgment at once far and near seeing, was not content with holding his own in the banking world; while a stock of patience which was in itself an important reserve force, held him back until each move he made and the forces which caused him to make it went forward together to become irresistible. Thus we find small change in the position of the Bank for nearly two years, probably because James Stillman was waiting for the unpropitious influences then operating upon business to expend themselves.

A period of violent expansion and rise in prices had followed the huge wheat crop of 1889. Foreign speculation had centered chiefly upon the Argentine Republic into which England had poured her capital with an eager recklessness. The same year, which beheld the United States enjoying the largest crop since 1884, saw a complete failure of that crop in the Argentine.

"This industrial disaster," says our historian, Alex-

ander Dana Noyes, "was followed first by a bloody, political revolution and then by financial panic at Buenos Aires. Demand for Argentine securities in London slackened and a certain timidity over foreign investments became perceptible." There followed a short reaction in the earlier months of 1890; but "reviving speculation failed to disentangle the bankers from their imprudent South American engagements. Rumors of trouble began to circulate in the autumn. At length, on November twentieth, Baring Brothers, unable to either sell or borrow, on their Argentine securities, defaulted on twenty-one million dollars home liabilities. Only through the united efforts of the Bank of England and the London financial institutions generally, who guaranteed the doubtful Baring Assets, did Great Britain escape a repetition of the Overend-Gurney panic of 1866. So serious did the strain become, during one critical week of November, 1890, that the Bank of England adopted the extreme precaution of borrowing four million five hundred pounds gold from the Bank of France and the Imperial Bank of Russia. This London episode was of serious significance to the United States. . . . The Baring panic was reflected promptly not only by collapse at Buenos Aires, but by a disturbance in the American money market so serious as to force the New York Banks to repeat their emergency operation of 1884 and 1873, and issue fifteen million dollars Clearing-House loan certificates. At one

time loaning rates on call in New York City rose as high as one hundred and eighty-six percent, and there were numerous banking failures. Recovery, however, was rather unusually prompt, because the season's heavy export of American agricultural products, and our active interior trade, offset for the time the movement of English liquidation. In December, notwithstanding the condition of Europe's money markets, the United States imported gold."

As the year 1892 passed the tension became greater, since political conditions were such as to strain the public credit to the uttermost. . . . On April fifteenth, Secretary Carlisle gave notice that issue of Treasury gold certificates should be suspended, and then the public became aware that the reserve against legal tenders had fallen below the statutory minimum. But timely interviews and makeshifts averted trouble for a few months. Shrewd men, however, saw that the "public mind was on the verge of panic" and realized that this panic had only been delayed by the accident of the large harvesters of 1891, in the face of a European scarcity.

The time of reckoning was due and, in the Spring, it came.

"During the opening week of May, the whole stock market collapsed. The bubble of inflated credit having been thus punctured, a general movement of liquidation started. This movement immediately developed very serious symptoms. Of these symptoms the most alarm-

ing was the rapid withdrawal of cash reserves from the city banks, which then resorted to the emergency device adopted in 1873 and 1884. They appointed a committee to appraise such assets as any bank in the Clearing-House should offer, and issued against such assets certificates receivable for balances at the Clearing-House. Enabled thus to dispense in part with cash settlements, the banks managed, during the summer strain, to help out customers who were in serious straits.

"But the strain was not relaxed. The use of loan certificates at New York, promptly imitated by the Clearing-House banks of Boston, Philadelphia, Baltimore and Pittsburgh, could not check the drain of cash from the east to the interior.

"In July, this western panic had reached a stage which seemed to foreshadow general bankruptcy. Two classes of interior institutions went down immediately—the weaker savings banks, which in that section were largely joint-stock enterprises, and a series of private banks, distributed in various provincial towns, which had fostered speculation through the use of their combined deposits by the men who controlled them all. In not a few instances, country banks were forced to suspend at a moment when their own cash reserves were on their way to them from depository centers. Out of the total one hundred and fifty-eight national bank failures of the year, one hundred and fifty-three were in the West and South.

"No such financial wreck had fallen upon the West since it became a factor in the financial world." In addition to the National Bank failures, six mortgage, thirteen loan and trust companies failed and fifty-six railroads, among which was the Union Pacific. The total number of banking institutions which went into the receiver's hands were five hundred and fifty-four, and, considering the prostration caused by such a wide-spread disaster, the movement of return to normal was amazingly elastic and rapid.

At length, with the opening of September, the six months drain of currency to the interior was ended. It returned to its accustomed channels as rapidly and suddenly as it had left them; in November, legal tenders were moving into New York at the weekly rate of eight to ten million dollars. Panic, in short, had ended, but not until the movement of liquidation had run its course.

The record of business failures for the year gives some conception of the ruin involved in forced liquidation. Commercial failures alone in 1893 were three times as numerous as those of 1873, and the aggregate liabilities involved were fully fifty percent greater. It was computed that nine commercial houses out of every thousand doing business in the United States failed in 1873; in 1893 the similar reckoning showed thirteen failures in every thousand. The after effects of this wholesale destruction presently appeared.

Each panic always seems worse than any that has

preceded it and 1893 left a deep mark on the nerves and memories of business men of that time. A striking painting hanging in the New York Clearing-House, portrays the Clearing-House Committee gathered around a table, vividly depicting their look of anxiety, especially in the expression of Frederick Tappan, the Chairman. Anxious times were these for the new President of the City Bank, yet he emerged from them with heightened reputation. During all that period of violent fluctuation, the Bank had moved steadily forward and in the latter part of the year could point to deposits of over thirty-one millions. The merger with the Third National, advised by John Sterling, had given it an immediate start and hereafter the lawyer's judgment was even more fully trusted by his friend. Throughout James Stillman's career, the presence of John Sterling in daily contact, must be taken for granted as a constant factor.

Meanwhile, so rapid and definite a success surprised the Street and people began to talk about the new blood in the City Bank. Through Stillman's hand some of the idle millions of the Standard Oil had been temporarily loaned in order to relieve the money situation and this had caused the surmise that the City Bank was on the way to become the banking representative of the Standard Oil interests. Trebling the deposits, however, was but a small part of the new President's plans, plans which so soon as the panic wave had subsided, he began to put into operation. He moved rapidly and com-

Group known as the Clearing House Loan Committee during the panic of 1893

from a painting in the New York Clearing House

pletely along the lines which were certain to gain new interests and new clients. All his business life he had made a practice of going about among prominent men in all walks of life, hearing what they had to say, (he was always a good listener) and noting what might be of value for the future. In this way he felt the pulse of affairs, which was the pulse of the nation and later came to feel the pulse of other nations by this same careful method.

When men came to his office, his questions were few and pertinent; his manner was never ruffled; he retained his calm, his poise, his judgment, whatever the conditions. "Unhasting, unresting—his evenness of mind," says an intimate friend, "under trying circumstances was remarkable." Visitors who sat opposite him across the desk noticed that he never raised his voice, never openly criticized and never praised. They saw that no changes, rumors, or fears, caused him to lose that coolness, that steadiness and so they left his office with a great sense of confidence.

Always, at the back of his mind there was the wish to stand well in the eyes of men whom he respected, there was the hope, the idea of power. He had always felt that he was destined to have this power—as well as great wealth. Yet those who knew him in those days saw that it was the Bank that interested him, not the Street, the Bank which was important, rather than his private fortune, that building up the Bank was his

work, his pleasures, his ambition and his inalienable pride. He would never blot that straight little signature of his on a share of stock—it was written to endure as long as the parchment endured.

After 1893, it is the truth that the Bank, in James Stillman's mind, had become an article of religion. We are dealing with a builder in a generation of builders. Nowadays, business is business, but in the nineties it was something more. James Stillman, as we know, talked seldom; but on one of the rare occasions when he was willing to discuss his career, he disclaimed being a good, technical banker (as he considered A. Barton Hepburn); he insisted that he was first and always a merchant. He had been a pioneer in banks of large capital and for a long time had to combat the existing prejudice against the idea.

His general policy was to make his bank, "the greatest and most efficient banking instrument in America," as it has since been called; and his formula was just Moses Taylor's own—personal control, silence and ready money. In pursuit of these his fearlessness was absolute and outwardly at least, he carried his responsibilities as the Spartan carried the fox under his cloak.

There he sat on the little raised platform with the three desks and sometimes had his lunch sent in—a frugal meal enough, chicken, perhaps, with rice and crackers to be eaten while one talked. Once he complained rather bitterly that squabs, which he disliked,

had been served him three days in succession, although he had always sent them away untouched. Investigation proved that as only bones had arrived in the kitchen it was therefore supposed he had enjoyed them. A hungry little office-boy was found to be the culprit and was well scolded for it—but not by the President.

He was just: he could be kind; but he was never at all personal. He expected everyone to work as thoroughly as he did, *without mistakes*, and he exacted obedience. Thus, when a clerk was asked how the account stood of a certain firm and replied "I *think*—such and such a sum," he was jumped on.

"Get me the exact knowledge" said the President dryly, "I can do my own thinking!"

Plainly, he could and did his own thinking, even as the work of the Bank grew and "Life was an eternal push," as his secretary phrased it. His brain was always like the fairy tent in the Arabian Nights, which could fold into a pocket, yet when opened came to shelter whole armies. And his prescience was almost uncanny because it was so very silent. To those who worked close beside him, that carefully-dressed, smallish man, with the tall hat and the inevitable cigar, who didn't answer sometimes for twenty minutes, but fixed one with his clear, dark eyes and his air of immense dignity, presented a really fascinating enigma. His mental power was as great as his shyness and like many shy people who inspire fear in others, he preferred those who were not

afraid of him. No one could do a favor more graciously and the smile which lighted the dark face was cryptic, perhaps, but worth more by reason of its rarity. A certain enthusiastic friend, in an after-dinner speech, even went so far as to compare it to the "celebrated smile" of Mona Lisa, a comparison which we cannot help feeling would have startled the lady as much as the gentleman!

Throughout his day's work, there was manifest intensity visible in the concentration, in the careful calculation of each problem, in the dislike of hearing any details discussed, while yet expecting them to be carefully watched. This intensity took its toll, though his health was good, yet there was one serious illness during the nineties and there are far too many headaches to satisfy our modern standards.

By the men who, in one capacity or another, worked with him during these building years, it is his vision and the scope and exactitude of his mind which are best remembered. Says one of them:

"Nothing seemed too small to him and nothing too great . . . . He used to be in the habit of asking me to come down while he was having luncheon served to him and it was brought in on a tray and put on the table back of the Paying Teller's window. While consuming a frugal lunch, he used to ply me with questions of various kinds that occurred to him . . . . I have often sat at his desk talking to him when perhaps some advertisement in a back page of a paper, or a note which had a blank page on it was

laid before him and while talking he would take out his paper-knife and cut off the blank page he wished to set aside for future use. He was interested in small things and he wasn't at all afraid of the largest things. In 1909 he bought from the Government the old Custom-House which is now the house of the Bank. At that time everybody thought that he was wild beyond any dream of the future. The idea of occupying an entire city block with a bank was something that made everyone raise his hands in consternation."

These reminiscences serve to show us that, after all, in the summing-up of James Stillman's personal impression during these years—the main thing is that he was interesting. The Street was full of men talking and jostling, earning and gaining, building and destroying—but few of them were at all interesting and most of them have departed now to a place where they seem less interesting than ever.

The building where all this took place was neither pretentious nor especially commodious. It still occupied the site at 52 Wall Street, although the Directors of the City Bank had purchased the old Custom-House for a new Bank, to be erected in time. Before the purchase it had been one of three stone faced mansions having carved garlands and window frames, in the true eighteenth century manner, and one of these three, the McEvers mansion, remained a private house for some years. The other was the home of the New York Bank.

From time to time the building at 52 Wall Street was altered and remodeled to suit its growing needs, stories were added, but a great many historically-minded persons were sorry to see it go, when the City Bank bought the Custom-House for three millions in 1899 and later started to erect a huge building there.

In years to come, James Stillman was to take much interest in the plans and projects for that building, which he always said was his monument; but just now he was content with the rather cramped quarters at 52 Wall street. As a matter of fact, he liked building, whether physical or fiscal, and the Cornwall Estate had occupied him in that way since 1886 to his great satisfaction in the result.

The house he made for himself on the slopes of Storm King had an unequalled site with a view leading the eye to the distant crests of the Shwangunks and to the blue curve of Newburgh Bay. It owned to no particular architecture, but was roomy, irregular, rambling, protective in its outlines. As it stood so high, there was later on a separate wing designed against colder weather. Shingles and clapboards were painted green and the roof was gray. Today its aspect is different both outside and in, for the lawns and shrubberies have been altered with more formal gardening, started since his death. His original plan included only the sweeping lawns, gardens on several levels, with summer houses, beds of roses; flowering vines and copper-beeches, firs and scar-

let maples, grouped for decoration. His pet view of the shining river and bluish plain has been somewhat obscured by the growth of trees and shrubs.

While the road was being laid out, his mother was consulted—always a person of high vitality and decided tastes, she must have her say. Thus she insisted that the drive should spare this tree or that group of shrubbery or should turn such and such a corner; with the result that its course became delightfully casual and meandering. "The Ridge" has altered no more perhaps than Cornwall itself, where new roads in all directions have been cut through the woods. One of them passing through that deep glen where the old swimming-hole had been, leaves no trace of it but a trickle of stream.

The country, the estate, and the comfortable house were dear to the owner of it. He made his appearance on the place each morning, saw to the planting or to the stock, noticed everything, bade each person a courteous "good-morning" or "good-bye" and moved off quietly, as he had come.

"He was always close-mouthed," one of his old gardeners remembers, "if you pleased him, you didn't hear . . . but if you didn't please him—you knew."

That was his way. He didn't make changes without cause; he didn't blame unjustly, but he *never* praised. Toward the end of his life, we shall find him acknowledging that he might have praised more.

It is a pity that records were not kept of the guests who came to Cornwall during the last decade of the nineteenth century. They were a representative and an interesting list. Among them were President and Mrs. Cleveland and Secretary Lamont. James Stillman had known Cleveland since 1887, and had worked very hard for the Administration during the winter of that extra session which resulted in the repeal of the Silver Purchase Act. Generally speaking, his political views were Republican, but Cleveland made a powerful impression on his mind and he became a strong supporter of the President. The visit to Cornwall occurred shortly after the Clevelands were married. Lamont was also a friend as was Secretary Fairchild, but we are not told if the latter ever visited him on the slopes of Storm King.

Cornwall and all the Hudson country seemed then so much further from the city than it does today. James Stillman used to take his guests up the river in a yacht. He would arrange the time of their arrival for dusk, when the ugly approaches—ruined by the new railroad—were shrouded in mystery. So sensitively he understood the charm of a twilight arrival; the care was characteristic of his artistic sense. Perhaps it was this sense which caused him in later years rather to pooh-pooh his house with its homely, old-fashioned aspect. Always, however, he enjoyed the leisure he spent therein and no doubt those weeks were in the nature of a rest, a preparation for the full and exciting years to come.

The banker's wife and daughter in the country near Cornwall

Chapter Seven

THE EXCITING YEARS

SINCE the close of the Great War, which has marked so definite a cleavage between the nineteenth and twentieth centuries, the history of the nineties has been making its appearance in vari-colored fragments, seen from many angles and described from many points of view. Most of these studies so far have dealt with English life, artistic and literary, with such movements as the aesthetic, and with the other tendencies then beginning in painting and in music, in prose and in verse. Our own country figures but little in these chronicles, since we had no such outstanding groups in the arts, no such special individualities in the world of letters. With that curious passiveness which marks the attitude of our critics and historians, none among them has yet appeared to note the remarkable manifestations of the same period on our side of the Atlantic. Since the current of energy then running heady and strong in the world did not show itself in the United States by the rise of any group gifted in the arts, nor by any revolutionary artistic movement, it has been assumed that this current wholly passed us by. Yet nothing could be further from the truth. The nineties in America were

a period of striking originality and vigor, of expansion and interest, expressed in a series of figures of high color, vitality and power, no less manifest because they were figures outstanding not in the world of art, but in the world of business.

Up to that time the American business-man had been generally observed in the guise of the Yankee trader, narrow and shrewd, provincial and intense. He had accepted most of his business tenets from the mercantile English models, expanding them somewhat and improving them by his greater energy and more unconventional methods, but remaining in essence the trader as he had been in the old country. But about the beginning of the eighties new ideas began to show themselves and new personalities arose fitted to express them. That picturesque individual, the American financier, is beheld as a figure dominating our tremendous national growth and industrial progress and the historian can best record the events of the decade by noting the activities of a certain group of men, who started in about that time to re-mould their world much nearer to their heart's desire.

The economist, as is his wont, lays the expansion of this epoch wholly to the credit of economic movement, to the relative balance of trade and to the increase in the gold output. The psychologist, however, is warranted in pointing to the part played by talent, to the leadership of certain individuals and to a group of talented

men who guided the destinies of the world's commerce at that time. These surely had the same share in stimulating the energies of those years as they had in furnishing them with new ideas. That these ideas lay largely in the realm of business means only that they lay within the scope of American national genius.

In a broad, general way, their inventive output appeared to concern itself with revolutionizing the existing methods of distribution and transportation; with an especial emphasis on the management of raw materials and on the structure of credits. Up to the eighties, the production of all raw materials, on which the fabric of modern commerce is founded, had been more or less capricious, competitive and uncertain, while the credit system on which commerce depended has been called inelastic, cumbrous and fortuitous. When these inventions concerning communication began to bind the world's markets closer together, the older methods necessarily gave way to methods more dependable and scientific. Standardization began to prevail also in manufactures. The men who saw this change coming determined that the shift must be guided to their own advantage. Thus dawned the era of consolidations, guided by a group of remarkable persons who were responsible for it. Unfortunately, few personal records of that group remain to us and these are negligible. There was no one to do for them with pen or brush what Sargent did in his striking portrait of P. A. B.

Widener, whose small, kindly figure is seen backed against a huge and riotous Velasquez. A pity, others of this group could not have been depicted as people actually beheld them—Morgan, for example, eating strawberries in the garden of his London house, or Frick in his palace, seated on a Renaissance throne under a baldacchino and holding in his little hand a copy of the Saturday Evening Post.

As it was James Stillman's fortune to live with most of these strange figures, himself called one of the strangest among them, their appearance in these pages must no longer be delayed. Other volumes have dealt with their careers, more or less perfunctorily—for by curious paradox, the biographer, who has no hesitation in probing the psychology of writer or painter, keeps his respectful (or possibly inexpert) hand from that of the captain of industry. Here they are but shadows hurrying past the windows of the City Bank, pointed out as noteworthy among their fellows. The elder group had faded away, the sinister Gould and the impossible Jim Fisk, the handsome Commodore Vanderbilt and the breezy Addison Cammack; their places were being taken now by drier men, none the less powerful, if more weighty and none the less really picturesque. There was H. H. Rogers, who liked Shakespeare's plays, —and who had traveled a long way since that anniversary of his marriage when he carried home to his wife a new rocking-chair, bearing it in his arms for a

couple of miles on a hot highway, because he had no money left to pay the freight.

There was Jacob Schiff, with his narrowed eyes and his half-ironical look; H. C. Frick, cool, thoughtful and gifted, and that shrewd little Scot, with the tight-lipped smile, Andrew Carnegie. There was that opera-bouffe performer, John W. Gates, half-fakir and half-fanatic, a sort of wild man, whose passion for impossible wagers brought him the nickname of "Bet-a-Million" Gates.

These were a few of the shadows but there were others, some of which seemed at moments gigantic against the sunlight.

In understanding the men whose personal fortunes were the fortunes of the country, the first thing to remember is that many of them were creative and therefore had nothing to do with Wall Street. Wall Street operates on created material but does not itself create. Many of the most important men who revolutionized the world of business made their success outside the stock-market and only appeared in Wall Street, if at all, after their success was made. This is true of the ironmasters, Carnegie and Frick, of the oil merchants, Rogers and Rockefeller, and even more strikingly, of the inventors Bell and Edison. One of the most original of American merchants, John Wanamaker, from whose ideas the entire system of modern retail selling has sprung, remained a retail merchant to the end. It cannot be maintained, therefore, that the full creative

energy of American industrialism at this era is to be seen in Wall Street; such is far from the fact. True, the great business men of the country were sooner or later forced into Wall Street, either as borrowers to sustain their corporations or as lenders to invest their profits, and hence the appearance of such buildings as housed the famous company at Twenty-Six Broadway.

Thus, James Stillman came into contact with these influential men and judged when he could win them as clients and depositors, in which task his great ability and the traditions of his bank brought him a vast success. His connection with the Rockefellers had now strengthened into friendship and the part he played in their affairs can, perhaps, be better understood when it is told that from 1900 to 1904 (a very active period) the dividends of the Standard Oil averaged about forty-five millions. The Company acted largely as its own bankers, yet these sums must find investment, and outlets were sought in gas, steel and copper companies. Railroads remained, however, the chief channels of Standard Oil activity.

If we look into the future we may record here the various railroads in which the Company took an interest at different times and which included: The New York Central; The Union, Northern and Missouri Pacific; The Delaware, Lackawanna and Western; Missouri, Kansas and Texas; New York, New Haven and Hartford, and the Boston and Maine. The City Bank, which

from now on in certain circles became known as the Standard Oil Bank, was the accredited center of these many activities.

It must have been about this time, in 1895, that James Stillman first met a rather frail-looking and restless little man, named Edward H. Harriman. Transportation matters were doubtless the occasion, as one could hardly have touched these on any large scale without coming into contact with this railroading genius. At first Stillman felt a certain distrust of Harriman, which gave way, after the Union Pacific reorganization, to admiration. In the words of a friend, "he went right after Harriman, regarding him as the next great promoter after the Standard Oil group." Not for a couple of years however, did the two men have any personal relations and then it was remarked by an acquaintance that if Harriman trusted anybody, (he usually didn't), he trusted James Stillman. Their association and the friendship between them shall be dealt with in its proper place: at the moment, 1895, James Stillman was little concerned with Harriman and his vast railroad schemes. He had much more to do with the various problems presented by the entrance into the Street of the Standard Oil millions. Mr. Moody in his "Masters of Capital," points out that "the Rockefeller's were not the type of investors who were satisfied with five or six per cent . . . they meant to make, if possible, as large profits in the investment of their surplus as they had been accus-

tomed to make in their own line of business. But to make money at so rapid a pace called for the same shrewd, superior business methods that had been followed in the oil business. To discerning men it was clear that ultimately these other enterprises into which Standard Oil put its funds must be controlled or dominated by Standard Oil. William Rockefeller had anticipated this development. . . . Years before when he became active in the financial management of the Chicago, Milwaukee and St. Paul Railroad. But it was not until after the panic of 1893 that he and his associates began to reach out agressively to control the destinies of many corporations. . . ."

Many people felt that the "shrewd, superior" business methods, by which the Standard Oil millions were being handled, were the methods also of James Stillman and his reputation rose accordingly. His talents and the valuable connection which he had formed for his bank in so short a time had already brought him to the attention of that man who dominated and was to dominate American finance for a generation—I mean, of course, John Pierpont Morgan.

The story of this remarkable American has never been fully told; perhaps, for the reason that the influences which he exerted still appear to be dominant in the financial world; perhaps because his forceful nature was not easily understood and held qualities which magazine writers felt a certain awkwardness in discussing.

Such a success makes even criticism self-conscious. His story will, indeed, be picturesque, though the time for telling it is apparently not yet. Like Stillman, and even to a greater extent, Morgan was the victim of legend which renders any final estimate of his character exceedingly difficult. Also, like the City Bank President, his career is distinguished by its logical development and its absence of the accidental. Here the parallel ends; for in physique and temperament no two men could have been more unlike.

Morgan's father, Junius Morgan, had been partner and successor to George Peabody, another of those great merchants who were to found great banking houses. Peabody, though born in America, went to England to start his business and there continued to conduct it on those mercantile-banking principles which were noteworthy during his generation. In England he rose to be the chief representative of what was the most profitable field of investment in his day. He succeeded not only in amassing a large fortune but in obtaining a degree of English confidence which had never been enjoyed by any other American business man and which was to descend, as its greatest asset, to his successors in the firm.

On Peabody's retirement, his partner, Junius S. Morgan, became the head of the house today known as Morgan & Company. In his hands the Peabody firm continued at the same high level of international com-

mercial banking, which was becoming more and more to be conducted as a financial and less and less as a commercial enterprise. As a New England trader Junius Morgan had been a member of the firm of J. M. Beebe & Company of Boston and his son, John Pierpont, was born in Hartford while his father was in business there. John Pierpont Morgan, was, therefore, thirteen years older than James Stillman and like him of New England parentage and upbringing. He had received his education first at the English High School and later on at the University of Göttingen. His gifts as a mathematician were notable and but for his father's wish he might have been justified in embarking upon a career devoted to pure mathematical research. But Junius Morgan probably saw that no intellectual career was likely to satisfy the youth's dynamic energies and John Pierpont was entered in his father's London office. There he obtained his first business training under the most favorable circumstances and at the age of twenty was transferred to the firm of Duncan, Sherman & Company in New York. In the year of George Peabody's retirement in 1864, a new firm was formed under the name of Dabney, Morgan and Company, with Charles H. Dabney, an able business-man and accountant, as its senior member. The house had offices in Exchange Place and was reputed to do a profitable business in foreign exchange and miscellaneous securities; but it was not considered a firm of any importance by the Street, save for its con-

nection with the well-known house of J. S. Morgan in London.

In 1871, the year James Stillman became a partner in Woodward and Stillman, when J. P. Morgan was thirty-four, the firm of Dabney and Morgan was dissolved and its younger member became the partner of Anthony J. Drexel of Philadelphia. At the southeast corner of Broad and Wall Streets was erected the Drexel Building, which was to house the most important private banking house in the States, if not in the world.

From the first, the Drexel-Morgan firm showed its quality by the magnitude and boldness of its operations. Anthony Drexel was forty-five years old, his partner eleven years younger, both of them men of foresight, strength and resource. Already in 1870, the house of Junius Morgan in London had successfully floated the French loan, which, as it followed hard on the defeat of the French Empire, was a bold enterprise.

Their first action, as a newly formed firm in America was the enormous government refunding operation of 1873, which was in those days a transaction of unheard-of proportions. When, later in the same year, the fall of Jay Cooke left the field open to the Drexel-Morgan interests by depriving them of their greatest rival, it found their prestige at its brightest point, both in America and in Europe. At that moment, success on a large scale was inevitable, even if the firm had been

conducted by brains less keen and able than were those of J. P. Morgan and his partners.

Moreover, the moment had arrived for the younger men, with new visions and fresh energies, to step forward and take their place in the world of affairs. On all sides their elders were seeking retirement, among them Junius Morgan, himself, who had long presented, in Moody's descriptive phrase, "the ponderous figure of an East India merchant prince in an old English play." The field was thus opened to his son, who held it, who dominated it and who was to remain the most striking figure therein for many years to come.

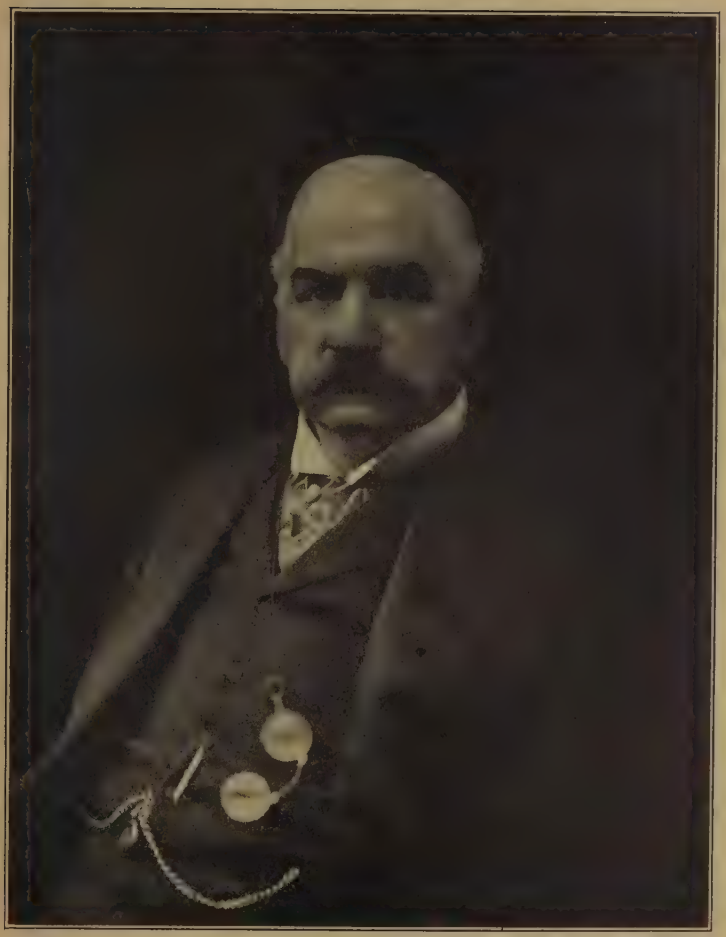
This brief sketch is, perhaps, adequate to show the origin and beginnings of J. P. Morgan's career and the position in which he must have stood at the time James Stillman became President of the City Bank. Morgan's energy had been chiefly directed to the rebuilding and re-organization of American railroads, while he himself was already, in the early nineties, the most prominent private banker on the Street. This fact would have been sufficient in itself to have made him a subject of observation by James Stillman, who made it a point to study all prominent figures in his quietly penetrating manner and who was rewarded by understanding better than the rest of the world this striking personality. For Pierpont Morgan was an highly colored creature, even before that color had been heightened by the prestige of his success.

A big man, of a powerful physique, heavy and virile, curt and decided, with blue eyes sparkling in his head; he was charged with vitality, physical and mental. His tastes had a Renaissance gorgeousness and his desires a naif directness, which savored of simpler days. His manner and utterances too, were not without a certain masterful quality which heightened the Renaissance effect. A most agreeable person in society, he was genial and accessible and had a natural heartiness whose warmth never affected in the faintest degree the purpose that he set himself. Morgan's love of personal beauty and his gift of inspiring loyal affection in his subordinates, led him to surround himself with a group of younger men, who seem almost (as we read of them,) too good to be true. The standard of looks among them was so high as to cause the remark that when the angels of God took unto themselves wives among the daughters of men, the result was the Morgan partners!

To the end of James Stillman's life, certain of the more flamboyant qualities of Mr. Morgan's make-up filled him with amazement. His own temperament was at opposite poles from this tremendous adventurer in the world of reality. Following his own principles of conduct, he made a point of always deferring to Morgan, although they did not always see eye to eye. Their mutual attitude, however, was one of respect and a certain degree of friendship. Morgan was on the whole a simpler nature and less subtle than James Stillman,

who, during their careers, working a few yards away, watched Morgan carefully, admired him and more than once, apparently, even managed him. A touch of rivalry between them was not lacking, especially during the period when Morgan was at odds with Harriman, who was supported by the City Bank—but then rivalry lay at the base of all that world. Stillman knew better than most men that Morgan was capable of mistakes, among which he reckoned the refusal to re-organize the Union Pacific and other failures in railroad re-organization, to say nothing of the dismal fiasco of the International Mercantile Marine. When "Achilles sulked in his tent" as James Stillman phrased it, he made ready to step in, for which statement we have the best authority, himself. The first of these occasions was during the Gold Panic of 1894, when the United States Treasury, faced with an alarming shrinkage of its reserve, applied to Morgan for assistance. Years later, one night in Paris, James Stillman told the story in French to a French friend who found it interesting enough to take down in notes still extant.

"The Treasury begged Morgan for fifty millions, which he refused, thundering 'Impossible!' Then they came to me and I went 'round to see what I could do: He was greatly upset and overcharged, nearly wept, put his head in his hands and cried: 'They expect the impossible!' So I calmed him down and told him to give me an hour and by that time I cabled for ten millions from



Pach Brothers

JOHN PIERPONT MORGAN

Europe for the Standard Oil and ten more from other resources and came back. I told him:

'I have twenty millions.'

'Where did you get them?' And when he heard—'Il bondit de l'abime de désespoir au pinnacle de bonheur—' " Here his French failed the narrator and he concluded, "and became perfectly bombastic and triumphant, as the Saviour of his Country."

"And he took all the credit?"

"Of course. But then you see," said James Stillman indulgently, lighting one of his little cigarettes, "he is a poet; Morgan is a poet."

But when his fascinated auditor spoke again, he had entered into one of his silences and did not answer.

We run ahead a little. Let us turn back again to the time when Morgan knew James Stillman merely as the able executive of a big bank and as the representative of large interests, whose leaders were beginning to show signs of turning their attention to Morgan's own field of American railroads.

Chapter Eight

HARRIMAN AND THE UNION PACIFIC

PIERPONT MORGAN'S work in the railroad field had been that of a great constructive force. Up to his appearance, the transportation industry had largely fallen to the hands of the unscrupulous promoters of the Civil War period. They had used the expanding tendency to colonize the West and Southwest and the rapid growth of the country, as a whole, merely as means to put money into their own pockets. To achieve this end, they had sacrificed without mercy the needs, present and future, of certain sections of the West, as well as the honor and credit of American business, both at home and abroad. "For forty years," Mr. Moody declares, "these reckless optimists, gigantic confidence men . . . had juggled and manipulated and exploited this great business for their own profit and the general loss of everyone concerned."

Even during the eighties, rate cutting had precipitated a crash in this over-capitalized structure and the panic of 1893 left the railroads of the country in a condition of utter prostration. Mr. Noyes gives a vivid picture of the nature and extent of this collapse, which is best told in his own words.

"So great had been the strain of the panic on these largely over-capitalized enterprises, that within two years nearly one-fourth of the railway capitalization of the United States had passed through the bankruptcy courts. Some of these failures had been of such a character as completely to shatter confidence in the methods of American corporations. Examinations in one of the largest of these insolvencies proved that the company's officers, within two years, had sunk upwards of four million dollars in reckless speculation in the shares of other railways. Deceptive balance sheets were repeatedly shown up in the subsequent investigations, as with the Atchison, Topeka and Santa Fè, whose one hundred million dollars worth of shares were distributed throughout Europe, and which, when its books were overhauled, was shown to have officially overstated an income of seven million dollars within three years. Disclosures of this sort, a large number of which came to public knowledge during 1894, were certainly enough to start a foreign movement of liquidation. Nor was there any improvement during the year 1894 in the finances of the companies; all of them went from bad to worse.

"The prostrated transportation industry had perhaps the most immediate influence on the movement of foreign capital; but as reflecting the industrial situation, it was only an incidental symptom. Labor troubles inevitably follow financial collapse and industrial prostration; such demonstrations came on the heels of the panics of 1857, of 1873 and of 1884, as surely as they attended that of 1893. But in 1894 there were periods when industrial unrest seemed to assume the proportions of anarchy . . . ."

The year 1895, however, brought about a great improvement, although the period of financial uncer-

tainty lasted well into 1897. By that date the restoration of the Gold Reserve, and the operation of the Morgan-Belmont syndicate, brought about a favorable turn in all the markets leading to a complete reversal of attitude by European investors. This improvement was attended by gambling, notably that in Metropolitan Street Railways, which, with the unpleasant revelations following it, has not been forgotten by New Yorkers. A change in the commercial situation was due, and thus the real recovery began, "that recovery which was to lead to the great industrial loan of 1901 and the enormous prestige in trade everywhere, of the United States."

The first manifestation of trade recovery showed itself in the disposal by our manufacturers in Europe of that vast stock of unsold goods which had been piled up in the endeavor to stimulate home production. What they needed was an expanding market; and although at home there was none so far, yet a demand had arisen so suddenly in Europe that French and German manufacturers could hardly fill it. "Our people would scarcely have shown themselves possessed of Yankee shrewdness had they neglected the opportunity and they did not neglect it. . . . They were in fact in a peculiarly favorable situation as regards raw material which lay almost at the doors of their factories, while skilled labor was not lacking and in large numbers." Domestic demand chanced to be light, so that our mills took foreign

orders for prompt delivery which Europeans were unable to accept. The result was that between 1893 and 1899 our export of manufactures actually doubled. . . . Thus, stimulated by outside demand our trade activity rose to extraordinary figures.

"Plainly, the first task of this era of returning prosperity was that of financial reconstruction. As late as 1895 receivers were operating more than one-fifth of the country's total railway mileage. During the hard times just past, no rehabilitation of these wrecked corporations was possible; but in the next three years real progress to that end had been made. The Erie was taken out of the receiver's hands in December 1895, closely followed by the Atchison, Topeka and Santa Fè; by the September of the year following the Philadelphia and Reading was placed on its feet."

The Union Pacific and Northern Pacific were next in line for re-organization, the executive committee for the Union Pacific held the names of Winslow S. Pierce, Marvin Hughitt, Otto Kahn, Edward H. Harriman and James Stillman. The mention of the latter among the group of men who were to build the Union Pacific into a magnificent railroad property in spite of Pierpont Morgan's avowed contempt for it, meant something more than that James Stillman was presiding officer of "the greatest reservoir of cash in America." It meant also his first appearance as one of the figures in that contest for supremacy which lasted in one form or another

practically until 1906, and, which, at moments, was powerfully to affect the fortunes of Wall Street and so of the entire country.

Such was the contest resulting from the alignment of the Standard Oil interests on behalf of the Harriman, Kuhn-Loeb interests and in rivalry with the Morgan interests. This rivalry did not extend to the City Bank —for James Stillman's ideas of a free Bank would not have permitted it to do so. Robert Bacon of Morgan and Company became a director of the City Bank in 1897, and later another Morgan partner joined the Board.

Yet it is useless to pretend, when we look back down the perspective of the years, that this feeling did not exist. In truth, the rivalry between Morgan and the other great capitalistic group was one of the most colorful factors in painting the picture of those days; it was a rivalry which at times grew into a gigantic struggle.

During that struggle, there were crises when the contestants had shown themselves willing to abandon it, to co-operate with one another. This was seen during the Northern Pacific panic and again in 1907. After Harriman's death in 1909 and the practical retirement of James Stillman, the sentiment of rivalry tended to evaporate and for good reason. Both sides were by that date threatened from without. During the nineties these capitalistic groups had to contend only with each other; but the beginning of the new century found

them contending with public sentiment, beginning to be aroused against them. This is a very different state of affairs; for a fight can go on only so long as the audience remains an audience, and the world's heaviest champion himself can do nothing, if the public decides to jump into the ring and stop him.

After the invocation of the Sherman Act against the Northern Securities Company, followed by suits against the individual trusts, the rival banking groups sank their jealousies in the face of a common danger. The era of creation and struggle had given way to one of maintenance and conservative mastery. A well-oiled and scientifically regulated machine seems the financial system of today, in comparison with that of the first decade of the century.

The Great War, too, with its evocation of old, yet new emotions, has caused the public to regard the business world as a trifle colorless in comparison with the turmoil of a political world in chaos and re-birth. We must put ourselves back as audience, into a mood when the play and the personages of American finance were the most spectacular in history and when the public looked on breathless, while men holding powers practically illimitable, and controlling between them well nigh all the floating capital of this country, strove to impose their wills the one on the other.

This contest took several different forms, some of which have a transitory importance and concern mat-

ters which retain no interest for the readers of this history. Their chief battle-ground was, of course, the railroads, in which Morgan had already begun the task of reconstruction—a task in which he doubtless expected to be alone the arbiter and the master. Another man, however, with a genius equal to Morgan's and an audacity in some ways even surpassing him, suddenly appeared as a formidable disputant of the railroad field and people began to mention the name of Edward H. Harriman. The last chapter told of the first contacts between Harriman and James Stillman and noted that the banker's first reactions to the railroad promoter were not on the whole favorable. In an unpublished interview with G. W. Babson in 1911, Mr. Stillman said:

"A very prominent man had told me to 'look out' for Ed. Harriman. 'He is not so smart as some people think and he is not a safe man to do business with.' For that reason I steered clear of him until the matter of the Union Pacific re-organization came up. In my association with him after that time he impressed me as a remarkable man—a man of unalloyed frankness and honesty and in all respects loyal and trustworthy. He soon showed, moreover, great money-making possibilities." In the same estimate he adds: "I have been acquainted with all of the prominent men of this country during the last forty years, and I can truly say that Harriman, in his conception of vast achievements, and his skill, energy and daring in bringing them to realization, far surpassed any other man I have ever known. His brain was a thing to marvel at; and yet if you could take it apart as

you would a clock, you would find its mechanism extremely simple. Nevertheless, it could make the most complex problems understandable and solvable."

This is high praise and denotes the impression which Harriman came to make upon Stillman's mind, an impression which certain of the latter's friends felt to be disproportionate. To them Harriman appeared as a "restless and secretive" little man who paid small attention to sound principles of finance; nor did they hesitate to say that it was the bank president who furnished the railroad man with that accurate knowledge and foreknowledge of the business cycle, without which he could hardly have succeeded in the same measure. However this may be, the two men became friends. Harriman seems to have exerted over James Stillman some of the fascination which the Celt has for the Saxon, furnishing an imaginative lure for the more direct intellect. But there are always practical influences at work upon every friendship and long before they met together in 1897, James Stillman knew that Harriman had come into conflict with the Morgan interests at least ten years earlier, in 1887, by his purchase of the Illinois Central and again in 1894 in the matter of the Erie Railroad reorganization. As he himself represented the only aggregation of capital which could be said to rival Morgan in power, it is idle to suppose that once he had made up his mind as to Harriman's "great money-making

possibilities," he did not calculate accordingly. Meanwhile the re-organization of the Union Pacific was a task which appealed to the constructive instincts of both men, the first to consolidate their influence, the first step in what was to become a joint campaign for the future.

George Kennan, in his interesting biography of Harriman, has devoted more than one chapter to the history of the Union Pacific, from its inception and construction, 1862 to 1865, to and beyond its collapse as the result of the panic of 1893. These had followed the same lines as were laid down in the case of other railroads, made worse by the tangle of subsidiary companies and a huge debt to the United States. Morgan had refused to touch this mess and only a mind and temperament of sheer audacity would have ever stepped in to try and handle it. Audacity was indeed the main characteristic of Harriman's career, which was founded on the classic situation of a poor lad, rising by his own strength to riches and power. The son of an unsuccessful clergyman, he began his business life in a stock broker's office and became known in time rather as a shrewd promoter than as a mind in any way noteworthy. Young Harriman lost no time in educating himself into a master of practical railroading and his life is filled with incidents that show the care, tenacity and thoroughness with which he watched and planned his railroad enterprises.

Mr. Moody notes in his favor his efficient and constructive standards in this regard. "Harriman was more than a mere banker and broker: . . . He had early adopted the theory that the first duty of railroad management was to maintain the character of the physical property. . . . Thus in the management of the Illinois Central he never 'skinned' the road to pay dividends, he never allowed the roadbed or equipment to become inefficient." It is seen that Harriman was the opposite of such types of promoters as are represented by Jay Gould and when this is understood the confidence reposed in him and his projects by James Stillman seems entirely natural and justified.

At the time Mr. Harriman first became interested in the Union Pacific the property was a complete wreck, disintegrating steadily, notwithstanding the efforts of re-organization committees formed after the bankruptcy to try and set it on its feet. The road was unlucky from the first, for its initial costs had been excessive, owing to the haste with which it had been constructed. "High prices for material and wasteful, if not dishonest, contracts," had been followed by the injudicious policy of acquiring competing but unprofitable lines.

For years its earnings had been comparatively small, for the region which fed it was not yet fully opened to immigration; so that by the time the Union Pacific was able to pay a dividend, it was also forced to meet the

competition of the Kansas Pacific and the Denver Pacific. Both of these roads had been acquired by the Union Pacific on terms characterized as "absurd" and the financial strength of the Union Pacific had been greatly weakened by this and other operations. Although a wiser policy succeeded, the burden had become too heavy and the road was unable to weather the storm of 1893.

Before 1895, a Committee, headed by Senator Brice, had vainly struggled to re-organize the company and to obtain new capital. Mr. Morgan's aid was first sought, but he had become disgusted with the political intriguing and wire-pulling lying back of all attempts to re-adjust by re-funding, the Government loan, and emphatically declared that he would have nothing to do with it. The banking house of Kuhn, Loeb and Company was then approached through Mr. Schiff, who, after a conversation with Morgan on the subject, had decided to undertake the new re-organization on behalf of his firm. He formed a strong Committee, but it was soon evident that their plans were meeting with a powerful undercurrent of opposition.

At first, there was a rumor that the antagonism sprang from Morgan, but when finally the truth became known that Harriman was the influence standing in the way, a curious interview took place. Jacob Schiff, a man of intellect and shrewdness, with a complex and Oriental personality, was the head of one of the strong-

est banking-houses in America. He saw no reason for adjusting his plans to meet the wishes of one whom he regarded as a mere railroad "promoter" even if he was the manager of the profitable Illinois Central. Schiff was also convinced that no one could possibly carry through the proposed scheme for the Union Pacific without the aid of Morgan or himself. But when Harriman "laid his cards on the table" as the phrase is, Mr. Schiff was amazed at his boldness and confidence. Not only did Harriman convince the other that he was able to borrow the necessary money on better terms than his rival, but he showed his extraordinary competency in dealing with the railroad as a property. Schiff tried to bargain, but the only terms on which the "promoter" would consent to join forces with him included a promise that he should be nominated as Chairman of the Executive Committee, to which the banker would not consent.

Eventually, however, a compromise was reached. Harriman agreed to join the Committee, although a year elapsed before he became its Chairman. Kuhn, Loeb and Company looked about them for a banker capable of handling the enormous transaction in which they were by no means enthusiastically involved. Their choice of the City Bank was inevitable, since to approach Morgan was out of the question. Not only had he emphatically repudiated the scheme, but he had openly expressed a low opinion of the Union Pacific and

its future. Moreover, he had taken a strong personal dislike to Harriman, dating from 1887, when Morgan's own plans for the Dubuque and Sioux City Railroad had been checkmated by the railroad man, acting for the Illinois Central.

This coup of Harriman's had been a ten days talk on the Street and one of the great banker's first defeats. Perhaps this blow to his pride interfered with Morgan's usual judgment, for his ignoring the possibilities of the Union Pacific and his failure to acquire and re-organize it, are regarded as tactical errors which were to have far-reaching results. Not only did he under-estimate the proposition, but he under-estimated as well the power of the man who was to build the Union Pacific by 1901 into "the most magnificent railroad property in the world." And this was not all. Mr. Schiff had been greatly impressed with Harriman's brilliant powers and the association thus begun was to continue for many years, to involve many large transactions and to carry the firm of Kuhn, Loeb & Company forward as Harriman's backers and bankers.

Coincidently with Harriman's appearance as a force —and this cannot have been unknown to Morgan—was that of the Standard Oil capitalists, who were thus brought into alliance with new power, doubtless influenced by James Stillman's opinion of Harriman's "great money-making possibilities." Thrown together, these groups had their first opportunity to appear in the eyes

of Wall Street definitely as Morgan's rivals. The Union Pacific re-organization involved the greatest cash transaction yet undertaken and the City Bank made its appearance as the natural instrument for such a deal. The mere crystallization of such a rivalry should not have been permitted and was in the eyes of many critics a tactical slip on Morgan's part. Up to this time hardly a single railroad re-organization had been undertaken without his participation. A long list, beginning with the New York Central, including the Southern Railway, the Erie and the Hocking Valley, the Northern Pacific, Baltimore and Ohio, Philadelphia and Reading and others, testify to his great constructive ideas and to the steady growth of his power and influence.

By 1898, Morgan was a dominant figure in the re-organization of practically the entire railroad system of the United States. Says Mr. Moody, "He was in complete voting control of the lines radiating throughout the South Atlantic" and with his vast other interests, he was the real power behind the Vanderbilt Lines.

Why then did he allow the Union Pacific re-organization which was the largest yet undertaken, involving cash payment of over forty-five millions to the Government—to seek another banking institution? One of the underlying reasons was psychological, for Morgan always saw best what lay just ahead while Harriman saw best what lay at a distance. The second reason was the one he gave, lack of faith in the future of the prop-

erty, in the man who was to reconstruct it and disgust at the difficulties previously standing in his way when he had been a member of the first committee. It is also possible that he may have foreseen the day when the rising prosperity of the country was bound to bring him rivals in power and he may have thought it useless to attempt to prevent or delay such an event. This, however, is not like human nature in general and not at all like Mr. Morgan. Possibly at the moment he was more interested in the acquisition of some marvellous illuminated manuscript, or some great picture or historic jewel, than of the Union Pacific. What is certain remains that his refusal brought first upon the stage in a premier role, the slight, dignified, and silent head of the City Bank.

The re-organization of the Union Pacific proceeded in a manner admirably efficient. Financed by the resources of the Standard Oil interests and through the firm of Kuhn, Loeb & Company, it was carried out with a thoroughness which brought confidence. After the Federal Government had been paid principal and full interest at six percent on the debt which had accrued for thirty years, the bonds and preferred stock were placed on a straight four percent basis. Mr. Harriman then made a personal trip of investigation over the ramshackle and deteriorated road during which he laid his plans for its practical improvement and for the purchase of new rolling stock. In two years, he had

achieved results which most men had expected would take more than twice that time. By his quickness, ability and faith in the enterprise, he had come to take a much higher position in the eyes of his co-directors, than he had held at first, when certain among them had been inclined to regard him, "somewhat in the light of an intruder . . . as not quite belonging in their class from the point of view of position, financial standing and achievements."

But when his associates saw him transform this moribund property into a great and successful railroad system their attitude toward him changed. He had laid the foundation of a great fortune for himself and by his ability was recognized as an associate of the group of Standard Oil millionaires. Incidentally the profits from the enterprise had been enormous. "The City Bank men," says Moody, "did not at first put much money into the Union Pacific, but they were important factors in the underwriting syndicate, which got millions of stock as a fee. Many more millions were later bought by members of the syndicate at from twenty to thirty dollars a share, until ultimately about one-third of the entire stock (practically the control) rested in the hands of William Rockefeller, E. H. Harriman, Kuhn, Loeb & Company and James Stillman."

As late as 1903 during Harriman's contest with Clark and Keene, we find James Stillman's name as one of a syndicate of nine members who agreed to buy, as a

permanent investment, five hundred thousand shares of Union Pacific preferred stock. James Stillman, who took ten million dollars worth, was named along with Schiff and Harriman as manager of the pool "with discretionary powers to buy or sell." This accumulation in the hands of men sympathetic to Harriman's plans, was for the purpose of preventing the capture of Union Pacific control by any outside group of speculators in some sudden raid.

Here was proof of change in the fortunes of a property which Morgan had disdained to touch and which its committee had seen vainly kicked about the Street in an endeavor to be financed at almost any price. It was from the start, as handled by the Standard Oil interests guided by James Stillman, "a veritable bank"; issuing millions of dividends, buying and controlling other systems, until in less than a decade it had rolled up a capital of nearly a billion and a half.

A note in this place as to the tendency toward consolidation in general may not come amiss, since all re-organized railroads were not so successful as the Union Pacific nor all industrial combinations as the Standard Oil. We shall see in the following pages that many of these huge nucleii were to split up once more, when opinions changed in the twentieth century. During the nineteenth century epoch, when the business world had apparently just discovered standardization and co-operation, they had become a sort of obses-

sion. Bankers and financiers developed a remarkable talent for persuading the most unlikely elements, the most deadly rivals to join together in a consolidation. Some of them were noted for their skill in this difficult operation. Such a practical psychologist was George W. Perkins of Morgan's, whose feat in the combination of the Harvester Companies into the International Harvesting Consolidation was a proof of this. The four heads of the four chief companies were rivals so irreconcilable that when he wanted to make them agree Perkins kept them apart in four separate rooms and himself went from one to the other arranging terms! The period of great mergers was comparatively speaking short but it was coincident with and largely dependent upon the rise of such institutions as the City Bank and of such financial intellects as that of James Stillman.

Chapter Nine

THE GREAT BANK

WALL STREET is a crooked thoroughfare with one end in the Atlantic Ocean, which is Trade, and the other in the grave of Alexander Hamilton, which is Brains. That it should become a synonym for money power is therefore logical. It is a region of perpetual sunlessness, stony, bleak, windy, majestic, populated chiefly by a tribe of messenger boys wearing native dress, who are governed by men with grave faces and hurried steps. Of one or two basement shops, it may be noted that the first offers smart women's sports clothes, while the other, a book shop, advertises in its window, probably in a consolatory spirit, The Story of Philosophy!

The place is one of short memories, sudden reputations and swift obliterations—marked off on that relentless clock-dial, held up by Trinity as a solemn reminder of the end of all activity. Historians have already drawn their own conclusions from the fact that the church-steeple is lower than the spires of Mammon. From this region an artist draws inspiration, a cynic, satisfaction and a philosopher, conclusions. The inhabitants may not realize that they are imaginative, yet their quarters remain in the highest degree picturesque.

The Street is dominated by the Gods of Rumor who are worshipped under the name of *They*. About the year 1899, after the Union Pacific re-organization, They began to point out the quiet, poised, patient man who rarely spoke, who, after Harriman, had become the decisive factor of that huge transaction, and who, They said, was evidently going to be a factor in similar transactions in future. His habit of silence gave rumor more opportunity, so that about this time a legendary figure began to be known to the inhabitants, a figure made up out of reticence and rare appearances in the flesh. Taciturnity is a recognized habit of the banking species, even if James Stillman carried his to the point of idiosyncrasy. Moreover, though a man of large acquaintance, he had but few intimates and, as he stuck to his Bank, the Street as a whole saw him little and knew him less. He became a *Name*—a sort of mystery man, (somewhat like Sir Basil Zaharoff in the Europe of 1916,) to whose door the crowd laid everything it didn't understand. This was often unjust, but there was no way to combat it and undoubtedly it came in time rather to get on James Stillman's nerves.

Meanwhile, the success of the Union Pacific under the new committee, through whose efforts it was to become in time a veritable bank, strengthened the association with Harriman. He had been introduced before this date by James Stillman to H. H. Rogers, the Rockefellers and their colleagues, "a group," says John

Moody, "surpassing in financial resources any set of men in the history of the financial world." This group came frequently to the support of Harriman and his projects and were definitely aligned with him during the turbulent years to come, when the rivalry over large railroad re-organizations held the center of the stage.

The Spanish War broke out, yet in no way shook the country's strength. Rather did the War become a pregnant demonstration of that strength and the resources that underlay it. Not only the resources but the minds wielding them began to make on the European expert "an impression less admiring than uneasy," and as a money-power, the United States began first to loom over Europe during the last two years of the nineteenth century.

Naturally the City Bank took an active part in the financing of the Spanish War. This was a definite item of James Stillman's programme. Like Burke, he held that "a great Empire and little minds go ill together" and he applied the same aphorism to his bank. He was patriotic and felt that his patriotism should extend to the identification of his work with his country's interests. It was all a part of his belief in a great bank, in a bank of extended influence and large resources. He had said in the beginning what he meant his bank to be: he had said that he saw no point in a bank unless it was powerful. His ideal of a great financial institution held that it should assist its Government and support its Gov-

ernment and be adequate to the burden which its Government might impose. The City Bank had heavily subscribed to every Government loan issue since 1812. This was the tradition. Moreover as its President had by this time grown to be one of the most important financial men in the country, he was consulted at every step.

James Stillman headed one of the syndicates, which Gage, then Secretary of the Treasury, had called into existence to meet the emergency, in order to underwrite the Government loan of two hundred million dollars.

"By comparison with the stupendous financial operations of the Government in very recent years," comments an official, "it is difficult for us to realize that the flotation of the two hundred million dollar loan so recently as 1898 was regarded as involving possible grave difficulties. The syndicate stood ready to take whatever part of the loan should not be popularly subscribed; and there is little doubt that one of the reasons why the Spanish-American War was so short and decisive was that the public subscribed to that loan seven times over. Nowadays, we have a more nearly adequate understanding of the financial capacity of the whole people when appeal is made to it on behalf of the public interest in time of crisis. We have (later) seen the people absorb billions upon tens of billions of Government bonds . . ."

The relations of the Bank to the Government (which had been close since Moses Taylor's day) became closer as it grew in importance and strength. In 1896, when the Treasury needed gold before its bond issue was completed, the bank deposited a million at the Sub-Treasury in exchange for green backs; "thereby setting," as the Tribune declares, "a magnificent example." The United States had utilized it as a depository before the date of the Spanish War. In April, 1899, payments were made through the Bank to M. Jules Cambon, the French Minister, then acting on behalf of Spain, of twenty million dollars indemnity on account of the Philippine Islands. Mr. Noyes makes the comment that the export of so large a sum as twenty million in gold "caused by the operation in exchange did not prevent a continuous increase in the Treasury's own gold reserve." No stronger proof of the country's extraordinary prosperity could be shown.

The Spanish War had given hardly a pause to the upward movement of the markets, causing an unprecedented expansion and the steady growth of foreign trade. Politicians and economists have all advanced their various theories in explanation of this growth; alleging in turn the gold standard, victory, the operation of the Dingley tariff bill, and the scarcity of wheat in Europe coincident with heavy American crops.

Notwithstanding that the United States had just financed a War of its own, yet in 1899 its markets were

in a position to make heavy loans to England for the Boer War, as well as thirty millions to other countries. At the close of 1900, it was estimated that the credit fund of this country on foreign markets amounted to at least two hundred millions.

A period of much activity and large profits followed. The balance sheet of the Standard Oil Company and its allied industries grew and grew. What was to be done with the money? Individually, the various members of the trust increased their holdings in outside matters. . . . "William Rockefeller his holdings in the St. Paul Railroad, while John D. Rockefeller, whose only important activity outside of petroleum had been the Lake Superior ore lands, now joined with the descendent management of the Jay Gould estate and invested largely in the New York, New Haven and Hartford and other Eastern railroad systems."

We have not forgotten that traditionally the City Bank was the metal merchant's bank, therefore it became the natural organ of the Standard Oil men when they turned their attention to copper. H. H. Rogers, now the Trust's Vice President, had in recent years devoted much attention to copper mining, and became the chief force in forming a company to acquire control of the huge Anaconda Copper Company of Butte, Montana.

This syndicate known as the Amalgamated Copper Company was launched in 1899 under the auspices of

the City Bank. With such sponsorship and the prestige of the Standard Oil behind it, a capital of one hundred and fifty millions no longer seemed impossible, gigantic though it was. For the first time, however, this particular combination roused an unfavorable re-action in the public mind. A tremendous hue and cry arose and the City Bank was sharply criticized. The more conservative held that national banks were not supposed to float mining enterprises; the typical Wall Street promoter saw himself cut out and his occupation taken away by the Standard Oil organization; the capitalist everywhere beheld a threat by the entry of the oil men into business on so vast a scale. The City Bank had already, earlier in the year, roused criticism for the deal by which the old custom house property had been acquired; its President, accused of sharp practice in that matter, became the storm-center of this one.

There was a great deal of talk in the newspapers and on the Street about the Money-Power and its leading institution. James Stillman was not used to this sort of comment, and, while apparently perfectly unmoved, yet inwardly much resented it. To at least one influential pressman, he stated that he had found a fight on over the flotation between Morgan and Frederick P. Olcott of the Central Trust Company, and that, as the struggle threatened to become a deadlock with disastrous consequences, he himself had reluctantly consented that the Bank should handle the flotation. He had, he felt,

acted in his usual role of peacemaker, possibly without fully realizing the storm that would be raised. However, he pointed out during the same interview that Wall Street must always have a name to conjure with, a villain to credit with evil and subterranean activity. In the old days it had been Jacob Little or Jim Fisk, or Daniel Drew or Jay Gould or Commodore Vanderbilt; today, he supposed, it was the Standard Oil.

The man who sat opposite him across the table recalls the occasion vividly today, because he had come there prejudiced against the banker and resentful of his sometimes scornful silences. That day he went away surprised at the other's open frankness and convinced of his truth. James Stillman spoke rarely to interviewers and journalists; but he told them no lies and they remember the fact with gratitude.

The Amalgamated Copper whirlwind blew itself out in time and was forgotten. As a speculative stock it had great vogue, but that has no interest for these pages, since it had none for James Stillman, who probably looked at the ticker less often than any man on the Street. All that remains of interest is the fact that the City Bank and its head had unmistakably achieved an unique position in the public mind, the first as a man who, if not himself an organizer of large affairs, was the indispensable adjunct to their success.

This impression was confirmed in a few months by the spectacular merger of the Consolidated Gas Com-

pany of New York with Edison Illuminating Company, bringing both under the control of the Standard Oil. This merger, which took place in 1899, had been preceded by the purchase of control in several competing Gas Companies, "hitherto identified with old City Bank interests" and thus bringing under one control the entire lighting system of New York City.

About this time, we find James Stillman's name as a member of the voting trust to which all the stockholders of the Kansas City Southern assigned their powers from April first, 1900. This voting trust, consisting of seven members among whom were Harriman, George Gould, Otto Kahn and John W. Gates of the American Steel and Wire Company, was the outcome of a dramatic episode which properly belongs, however, to the career of Mr. Harriman.

For our purposes it may be briefly stated that an attempt to re-organize this bankrupt Kansas City Railroad by Mr. Harriman and two committees had been thrown into confusion by the sudden sale of large interests to a group of western steel manufacturers of Chicago, headed by John W. Gates. As Mr. Harriman had not been notified of this sale, he regarded it as a serious break of faith. To a man of his temperament this fact was sufficient to crystallize his determination to hold his position, transforming his intentions regarding the property, which, until then, had been somewhat lukewarm, into a white-hot, fighting spirit. Mr. Otto

Kahn was present at a conference between Harriman and the new, opposing interests, in which he says: "He simply brought to bear upon those men the stupendous force of his will and personality. When the conference broke up . . . the newcomers had agreed to turn over to him their votes and proxies and let him run the property."

The voting trust, of which James Stillman was a member, was then formed and an executive committee chosen with Mr. Harriman as Chairman; but the betterment of the road was not carried out as hoped for and eventually Mr. Harriman was displaced, after which he disposed of his interests in the property. It should be added that Mr. Harriman was greatly criticized for his failure in the case of the Kansas City Southern, one expert going so far as to describe the road as "almost completely gutted" by the year 1905, to which criticism his biographer opposes a well-reasoned defence.

As the nineteenth century drew to a close, the President of the City Bank must often have considered his own creative work in that institution, and marvelled how it was growing to fulfill his hope. About this time, when he went up at night to hear his children's prayers, he used to pray that God would guard the City Bank deposits—nor was there any self-consciousness in this, to him, natural oblation. There are still further indications of the deepening sense of responsibility which success had wrought in his somewhat grave nature. For it

had been an extraordinary success: the Bank had grown very great.

Hardly ten years had elapsed since he, the youngest Director, had become the head of the institution and since then he had built steadily for size and strength, though less for profit, than to be a force. His ideal had ever been one of those great English banking-houses, which endure from generation to generation. With the coming of the new century, he meant to make it greater still and to that end he expected in time to erect, on the newly-purchased Custom House site, a building which should express by its beauty and sovereign massiveness, this ideal of permanence. Says a friend and colleague in reference to this particular period of City Bank history: "He never lost faith in the future of the country and its business. In January, 1900, at a time when other bankers were considering reducing their capital by reason of the difficulty of earning a fair return on it, he called on the stockholders to increase the capital of the City Bank from one million dollars to ten millions to meet what he foresaw would be a great development in the country's industry. Again in 1902, fifteen millions was added to the capital, and seven million five hundred dollars to the surplus by the sale of additional stock at one hundred and fifty dollars per share," while Messrs. Havemeyer and Schiff were added to the Board. All this had been largely a personal and individual success, the work of a man who in that mercurial atmos-

phere had both weight and imagination. James Stillman had developed matured powers of reflection by never being too much absorbed in the affair of the moment. While he "thought in a hundred millions," as the phrase was, he was probably cutting off blank sheets of notepaper for future use. He despised parsimony, but he loathed waste.

Most marvellous of all, he was free from the vanity of thinking that he must undertake every detail himself: he believed in the old adage that "eagles do not catch flies" and after selecting an agent, he treated that agent with patience and confidence. His intellect was free: he believed a great bank should be free; free to do business anywhere, with anybody, not subordinated or tied to a single group and its interests. His business experience had been based on commercial life, so that his outlook was broader than the specialist's. No doubt, also, this training had helped to make him inventive. Says a writer in the *World's Work* in 1901:

"A few years after his election to the Presidency, he saw tremendous possibilities in foreign exchange and organized a foreign exchange department under expert charge. More than once he has upset the calculations of foreign exchange departments and surprised Wall Street by shipping gold to Europe when the export rate, apparently, did not warrant it, and by importing it when rivals figured that the shipments must cause a loss."

Another critic, writing in the *Cosmopolitan Magazine*, for 1903, points out that his silent habit made him "a profound psychologist. Men talk: he sits before them silent and impassive; they talk more and sooner or later they give themselves away."

All agree in James Stillman's deep loyalty. He gave his confidence slowly but, unlike Harriman, who it is said, trusted nobody, he gave an implicit confidence. "Once committed to association with a concern or an individual, he never wavered in his support." In his directness of purpose, he was simple. "He would say, 'We'll do this': then he would go and do it. . . . There was very little talk about money-making in those days!" is the significant conclusion of the reminiscences which we have been citing.

Physically, James Stillman had changed little. He had always been smallish, stockily-built, dark, handsome, carefully-dressed; his sisters teased him about being vain, especially of his small, well-shaped feet and hands. Now he was fifty and had become a distinguished, if strange, personality. "An elegant little man," says a great lady, "reserved, punctilious and not very enthusiastic." No; never very enthusiastic.

Responsibility, that demon that rode the man, exacted the sacrifice of hearty mirth and few people heard him laugh. But he had his own sardonic humor; he twinkled often enough at that cynic spectacle of greed which was spread around him. His silence held the

Emersonian philosophy of "So hot, my little Sir?" and not seldom did he chuckle at his own thoughts. This humor at rare moments expanded into jocosity, as when he suddenly asked his housekeeper "If she thought he needed mothering?" which she very properly took as a hint that he thought he didn't! Sometimes there were playful nicknames—his children remember how his valet "Oscar" became "Oscarola" and Mr. Sterling, that close friend and counsel, was always "Lord John."

Somehow one isn't surprised to hear that occasionally he quoted from "Rasselas," whose mood of dignity fitted his own. He was not at any time a great reader, but what he read was apt to be worth while. In older life, when his demon relaxed its hold upon him, there came a late flowering of other gentlenesses and genialities and whimsical touches. Just now there was not room for them. Such is the man as he appeared at the threshold of the twentieth century, at the opening of one of the most remarkable periods in the commercial history of the United States.

Chapter Ten

STEEL AND GOLD

Mr. Noyes in reviewing the financial history of the first decade of the twentieth century, has observed that it surpasses in interests the striking periods preceding it and "has no parallel for dramatic contrasts in the history of the United States." Instead of the crippled industrial state of 1894, with industries declining and the great corporations drifting into bankruptcy . . . "there is presented in half a dozen years a community whose prosperity became the wonder of the outside world, and whose productive industries threatened ruin to European competition. . . . The situation in which the American community found itself, in 1901, was one which arises at intervals in all prosperous modern states; but its characteristics were emphasized, on this occasion, by the unusual incidents of the period. Such a situation has invariably, on all previous occasions, resulted, first, in readiness of people at large to embark in all sorts of enterprises the wealth of whose extent they have suddenly come to realize, and next by a rush into speculation. * * * The reservoir of American capital seemed inexhaustible; it filled up on one side faster than

Harper's Weekly

A typical crowd before the Stock Exchange in the first years of the century

it could be drained into those various enterprises on the other. It was then that the scheme of recapitalizing American industry was conceived. Industrial trusts were not new in American financial history. . . . But new conditions of prosperity caused a quick upspringing of the idea; such combinations found that their shares were readily absorbed; while venturesome promoters selling these shares at a heightened valuation appeared to create new capital.

"This capital gathering confidence and pressing on all investment markets, had not only raised prices of our own securities to unexpected heights, and bought back from Europe the bulk of American investments in foreigners' hands, but had overflowed into such quarters as British consols and German Treasury bonds. Even after all this, a huge credit fund was still left uninvested on home and foreign markets. At such times, people always wonder what is to be the outcome, and the outcome is always the same. The public inferred that these purchases were being made on their own account by men of boundless wealth, who were merely investing their private capital . . . but it was wholly mistaken as to the nature of the movement. What was actually happening was that one corporation having borrowed large sums of money to buy up the shares of another subsidiary or competing corporation intended, as soon as the property had been obtained, to hand it over, issue new stock and bonds of their own corporation and use

the proceeds to reimburse themselves with a handsome bonus."

The buyers in the open markets, therefore, were not operating for themselves but for the company with which they were identified and the public, naturally drawn by the spectacle of their activities into a whirl of imitative speculation applied an impetus to all Stock Exchange trading which exceeded in volume anything that had been seen up to that date.

This "explosion of speculation," as it has been termed, will no doubt come to have its place in the curious reminiscences of finance along with the South Sea Bubble of 1720 and the railway craze of 1844 . . . The situation of 1901 was one which turned men's heads . . . the country seemed to have reached a pinnacle of prosperity from which nothing could dislodge it."

Reading these words today they have a familiar ring, yet how much lies between!

If the speculative mania of 1901 had less concern for James Stillman than for most men on Wall Street, yet the prosperity which underlay it and the great nucleii of capital which being gathered together were one of the causes of it, had a very great concern for that bold and far-seeing mind. Great businesses demand great banks; he felt that the City Bank must necessarily profit by these huge combinations, must necessarily play a large part in the organization and distribution of the

new capital they were creating. This was an era when, we are told, bankers in high standing asked and received commissions as high as five million dollars for managing some of these operations. Banks and bankers were beginning to play a part in the world's affairs which they had never before assumed and which resulted in producing a characteristic and definite habit of mind.

During 1900 Mr. Stillman was occupied, together with the rest of the financial world, in observing the peripatetics which preceded the enormous steel trust merger with the retirement of Carnegie from the position he had built for himself as master in the steel industry.

Of all the characters which mark this dramatic epoch, Andrew Carnegie was one of the most curious, psychologically speaking, since he betrayed in so many ways the contradictory tendencies of the Scot. A little man, with a large outlook and a hard mouth, he presented throughout his career that combination of the ideal with the material for which his nation has always been distinguished. His vision of what might be done with wealth had beauty and breadth, and thus serenely overlooked the means by which the wealth had been acquired. Nothing could be more instructive than the events of his career, unless it be the attitude displayed by his autobiography. The Scottish weaver and his wife who set out from Dumfermline with their two boys, Andy and Tom, and arrived after their long journey

in the city of Pittsburgh, were the very picture of industry and thrift and family unity. During the years when other people would have got into debt for the necessaries of life, so tiny was their pittance, this quartet actually managed to put by. After some experience as bobbin-boy in a mill, followed by a rise to be messenger and office-clerk, Andy attained the position of private secretary to Thomas A. Scott, an influential railroad magnate of Pennsylvania and later on, the President of the Pennsylvania Railroad. Up to this point, young Carnegie had kept strictly to the lines laid down by his heredity and upbringing, he was thrifty, virtuous, hard-working, a respecter of law and literature. Now he suddenly began to develop qualities of independence, audacity, and acquisitiveness which were hampered by no conventional restrictions. Like his contemporary, the oil magnate, he moved to his ends with a serene self-confidence which was founded on the conviction that God was on his side and from this time on he never seems to have been troubled by a doubt.

As private secretary, he was in a position where all manner of special privileges dropped into his ready hands. When a chance appeared to make his first investment, his mother mortgaged their home in order to raise the necessary five hundred dollars, and, characteristically, this is recounted by her son as though it were an action of supreme idealism and virtue! Soon he had managed to acquire shares in a varied collection

of enterprises, many of a highly speculative character, and so had learned the art of making money otherwise than by doing actual work.

At the same time, his hardness, his intelligence and his accurate judgment, while in this railroad position, caused him to take the responsibility of more than one crisis, out of which he came with flying colors. Carnegie soon outgrew his position under Mr. Scott and soon outgrew Mr. Scott himself.

By a series of events which are now a part of business history, Carnegie became interested in the iron and steel industry and, steadily forwarding his plans therein, formed the great works at Homestead and elsewhere. He was never a practical iron and steel man, nor was he himself responsible for any of the creative ideas underlying that huge business. In no way did he display the ingenuity and inventiveness with which John Rockefeller handled the petroleum field; he was primarily "a business booster on an enormous scale . . . he was not," as Moody finds "ever a steel and iron expert in the real sense. As his business developed, he spent less and less time in the management of his concerns. He removed to New York and began to make the acquaintance of all kinds of people with a view to gathering prestige for himself and his business."

These objects were ever near to his heart—the public, from now on, was to become familiar with the activities and the features of the "Laird of Skibo" who

might constantly be seen smiling benevolently in company with Lord Rosebery, or Mr. Gladstone, or Viscount Morley. Carnegie was perfectly aware of the value of this sort of thing to his personal *considération*: by temperament as by policy, he strove to identify himself with statesmen and philanthropists, with literature by the gift of libraries; it succeeded admirably. Carnegie has been likened to Napoleon; but Napoleon was a highly-trained artillery officer with more than one brilliant technical success to his credit before he began to employ marshals to win other successes for him. The greatness of Carnegie's fortune has caused us to forget that he was neither Sir Henry Bessemer, nor John Kelly, who invented the process which made his steel industry possible. He had the advantage of early co-operation with two such iron masters as Henry Phipps and H. C. Frick and he had around him a group of forty partners of specialized ability. In contemplating, from the distance of a quarter century, this extraordinary being, the critic is tempted to wonder how much of his success in life he owed to his marked literary flair. Such a gift did not perhaps assist him to make money, but it did enable him to present the public with his own version of himself. His writings are charged with the sentiments of virtuous austerity.

He had a gift of aphorism which delighted the sentimental public. They loved to hear him say that "Labor is the universal law of being" or that "he who

dies rich, dies disgraced;" they heard with approval his conviction of the joys of early poverty and applauded to the echo when he announced that "I would prefer to have my niece marry an honest working man than a worthless duke!" Few among the sentimentalists appear to have observed that it was not the society of the former that the Laird of Skibo so energetically sought!

Steel consolidations had dated from September, 1898, when Morgan financed that known as Federal Steel. One or two attempts had been made to co-operate with Carnegie, notably by the Rockefellers, but his price remained too high. By 1899, however, Carnegie had come to view the situation somewhat differently from his partners, Phipps and Frick. He was sixty-five and wanted to retire: moreover, he had reached the breaking point with Frick, who saw the end of the "one man era" and the rise of the "community of interest" idea. Frick, a man of philosophical views, neither so intense nor so self-deceived as his famous little partner, also believed that combination was about to take the place of competition, an opinion with which Carnegie violently dissented.

Thus it became plain to Morgan that there must be either a purchase or a war in the steel industry. The "little Scotch pirate," as the financial world of 1900-1901 did not hesitate to term Carnegie, was not congenial to James Stillman, whose ideas were notably constructive and whose sense of responsibility was so

constant, although he naturally admired audacity and force. He took the side of H. C. Frick, whose cool, masterful temperament and broad ideas were more closely allied to his own, and whom we know he admired. Before this period Frick had become connected with William Rockefeller and H. H. Rogers in various enterprises and had thus come into close touch with James Stillman. The steel merger, which included the interests of Federal Steel with those of J. W. Gates and the American Steel and Wire and the Mesaba ore beds of the Rockefellers,—was finally carried out by Morgan, by a purchase on the largest scale that had ever been made in the world's history.

Nowadays, when such vast operations occur almost every week and the public observes the enriched with indulgence as a band whose ranks any individual among them is likely any day to join—it is hard to depict the awe with which these amalgamations were then regarded, the excitement they caused and the interest in the men who initiated them. Popular imagination was fired and the masters of capital everywhere aroused awe and envy, fear and curiosity. In fact they paid heavily for their prominence and were in future to pay still more. A French financier of importance found himself, just after the steel merger, crossing the Atlantic on a ship with James Stillman, J. P. Morgan and Andrew Carnegie, surrounded by a gallery of passengers who paid them the attention which is now the prerogative of

moving-picture stars, and gossiped concerning them from chair to chair. The Frenchman, who was a personal friend of Stillman's, endeavored to protect him from this embarrassing propinquity, while secretly very much amused by the situation to which it gave rise. As Stillman and Morgan were friendly and congenial, while neither of them liked the Scot, they managed, by keeping together, to restrict their intercourse, for some days, to civil "Good-mornings" and "good-nights." But Mr. Carnegie had something on his mind and a moment came when it was not possible to keep off the subject nearest his heart.

"I ought to have had a higher price, Mr. Morgan," he said sharply, "I should have asked two million more—you'd have given it!"

"Oh, yes, I'd have given it," was the calm reply, "if only to be rid of you!"

On that same voyage, Morgan and Stillman retired one afternoon to Morgan's sitting-room to remain there closeted for hours. The ship went wild, rumors flew thick and stewards were posted in the passage by some of the more enterprising. When Mr. Stillman appeared at dinner, he told his friend, rather wearily, that the two had played patience all afternoon and had not exchanged ten words!

The launching of the United States Steel Corporation, in March, 1901, is a tale in itself, which has no place in these pages, save indirectly, as it affected the

world around the National City Bank. The result of its success skillfully engineered by Morgan in the greatest stock-jobbing campaign of his career, was enormously to heighten that volume of speculation which had already been steadily increasing during the preceding year.

At the outset, the merger had not been planned as so large, but Morgan realized the danger of leaving any chance to Standard Oil, which might in time build up a rival industry.

"It must be all," he said, "or none."

Frick was sent to negotiate with Rockefeller and succeeded, though he paid a very big price. But it was not these intrenched millionaires who were most affected by the half a billion dollars in cash which changed hands during the steel transaction. Rather was it that group of Carnegie's young partners, men who had presumably laid to heart his lectures on the value of poverty, the joy of honest work and the demoralizing effects of speculation. Upon their defenceless heads descended this tornado of gold and its result was not very different from what a real tornado would have been.

"They went money-mad," says one admiring chronicler, "and some of them have never recovered." Utter demoralization befell the weaker among them, who indulged in freaks of senseless extravagance; while even the stronger had their homes ruined, bought divorces, that they might buy new wives and saw their children

grow up corrupted by the money-madness. If they had themselves earned the profit or any part of it, the state of affairs would not have been so bad, there would have been fewer to toss twenty dollar gold pieces to their stenographers, saying "I don't want it!" or to cruise the country in glittering private trains, or to order a dozen portraits to be painted at once. The chronicler from whom these incidents are quoted makes the characteristic observation that "All this was natural, harmless and good for business;" whereas after events might have been sufficient to show him that the whole thing was unnatural, harmful and turned out to be very bad for business indeed.

In fact, as we study individually the after history of those men and families who became so suddenly and unreasonably enriched by the Steel Trust sale of 1900, the plain truth stands out that all the work of the Carnegie Institute up to the present day, with its pensions and medals and admirable philanthropies, has hardly squared the debt. More people appear to have been ruined by the Carnegie policy than have been benefited, so far, by the Carnegie fortune.

This is but the conclusion of philosophy, which is never heeded. The immediate effect of the steel trust merger was to give a violent stimulus to that speculation which by 1901 had become a notably widespread phenomenon. Not only did the younger men who had sold out to the Steel Corporation, now made into many

times millionaires almost overnight, toss into stock market ventures, the money they saw no other way of using . . . but a stream of excited customers of every walk in life became seized with the mania for speculation and filled the offices near the Stock Exchange. When the execution of the enormous volume of orders became such a continuous strain night and day on the brokerage houses that the Stock Exchange was forced to grant an extra holiday for rest, when hotel waiters, clerks and dressmakers made fortunes and lost them again in a breath, it became evident to James Stillman that a crash was impending and that the re-action was likely to be brought about by the very daring of those particular promoters who were occupied in taking advantage of the wave. The new enormous shipping amalgamation had caused an outcry in England, both on account of its threat to her maritime supremacy and to the stability of the world's markets. This should have constituted a warning but no warnings that this prodigious inflation of values must needs lead to a re-action and ultimately to the exhaustion of capital and credit, were likely to be heard by a public infatuated with gambling. Only James Stillman and others like him made taut their ropes for a gale.

Chapter Eleven

THE NORTHERN PACIFIC PANIC

HARRIMAN regarded the success of the Union Pacific in the light of a challenge to the future. In three years under his direction the system had expanded from three thousand miles to over fifteen thousand. Fired by this accomplishment, his imagination had begun to conceive of plans to which the Union Pacific was merely a stepping-stone and he set to work upon their realization with all his accustomed impetus. "A masterful leader," with a genius both for railroad management and stock exchange manipulation, he looked forward with confidence to the time when he was to dominate the railroad field from ocean to ocean. He had, however, a powerful enemy in the person of Pierpont Morgan and for a while it had seemed as though this enmity must hold him back, but he had succeeded at length in obtaining as backers the most important members of the only firm large enough to be Morgan's serious rival. Jacob Schiff and the firm of Kuhn, Loeb and Company became Harriman's convinced supporters, while he enjoyed the personal friendship of the Standard Oil partners and James Stillman. His star was in the ascendant and now in 1901 shone very brilliantly on Wall Street.

Harriman's railroad campaign in the West, opened by the acquisition of several small lines as feeders to the Union Pacific system, brought his plans into collision with those of another railroad magnate, James Jerome Hill of St. Paul, Minnesota. Long before the Union Pacific had become an acknowledged success, astute onlookers predicted that Harriman was bound sooner or later to interfere with Hill. Each was a technical expert in the work of railroad expansion, each was an aggressive force in the field he had chosen. Last, but by no means least, these two men were financially aligned on different sides of the Wall Street contest.

Hill was a man of great force, nearly ten years older than Harriman. Born in Canada he had come to the City of St. Paul and for a time worked there as a clerk in the office of a steamship and packing line. Then he bought a coal and wood yard and until he was nearly forty, he was known to everybody in St. Paul as one of the town characters. He was a short man, blind in one eye, with heavy features and long hair, who used to sit outside his wood yard and "boost" the Northwest to anybody who would listen. In one respect he differed from the financiers who governed Wall Street during this period, for they were silent men while he had the reputation of being the greatest talker in St. Paul. But Hill did more than talk. It was a time of rapid growth in the Northwest and Hill foresaw an advantage if the steamship lines would become consolidated with the rail-

roads. This he undertook, at first on a small scale and then, after the panic of 1873, he saw in the failure of the St. Paul Railroad a great opportunity. He managed personally to interest in the project two important Canadians, who later were to become respectively the Lords Strathcona and Mountstephen. They obtained control of the bonds and in 1878 Hill re-organized the road as the St. Paul, Minneapolis and Manitoba. This was his first success. He continued to acquire interests in the Northwestern Railroads and was made President of the Great Northern System in 1893.

Unlike Harriman, Hill until about this time had kept out of Wall Street. He was known chiefly on the side of his remarkable brilliancy as a railroad manager, and had not so far been directly involved in Wall Street deals. After the Northern Pacific re-organization, however, which was undertaken by Morgan in 1897, Hill came much under that great banker's influence.

This fact is highly important to an understanding of what follows, for although Hill and Harriman were the titular antagonists in the struggle which began over the Chicago, Burlington and Quincy Railroad and extended to the famous Northern Pacific "corner," every one was aware that the real duellists were Harriman and Morgan, since had Morgan withdrawn his support from Hill the affair would have ended at once. So well known is this fact that Hill was called as an "adherent" of Morgan's.

In the public eye, Hill stood as the able manager of the Great Northern Railway, Harriman as the younger man, and the more familiar with stock market strategy. Yet the rivalry of these two as railroad builders might have been without importance to the general public had it not been that each formed the nucleus of two rival groups of financial power. Through Hill's substantial interest in the Chase National Bank, he became definitely allied with the group of Morgan financiers. Thus, when the competition of Harriman and Hill became active; it automatically aligned these two financial groups on either side of the contest, with vital results. For, if either of the two railroad men had been in any manner hampered in financial resources, their competition, of course, would have stopped far short of the panic of the ninth of May. It was because the resources on both sides were so enormous that this battle of the giants became so important. Even in view of the plain fact it is amusing to find bankers still living who insist that there never was any rivalry between any capitalists at any time.

Not thus, however, writes the biographer of Mr. Harriman. His terms are definite:

"The struggle for the control of the Chicago, Burlington, and Quincy Railroad . . . was one of the most striking and spectacular incidents in Mr. Harriman's career." Possession of the road was desired by two powerful men each of whom wished to strengthen his

position west of the Missouri River. Mr. Hill made the first move somewhere about 1897, when he discussed the matter with friendly financiers, who, however, dissuaded him from the attempt—thinking it too large an enterprise to be undertaken by the Great Northern alone. At that date the Northern Pacific could not hope to participate in such a purchase, as it had only just undergone re-organization. But the project of purchasing the Burlington remained in the determination of Hill and was raised once more in 1899, when both his position in the railroad field and his backing by Mr. Morgan had infinitely strengthened his position.

It was not to be supposed that Harriman could let such an attempt pass uncontested. His interests in the Union Pacific did not permit of Hill's project. Already the Burlington was his competitor in the Union Pacific's own territory; were its main lines to be extended to the Pacific Coast, this rivalry would at once become more serious. Any consolidation of the Great Northern, Northern Pacific and Burlington, under so skillful and far-sighted a manager as Hill, must necessarily prove disastrous to the Union Pacific.

Late in 1899, tentative efforts were made by Mr. Harriman and Mr. Schiff toward the purchase of the Burlington, but these fell through, since no purchase price could be agreed upon. Some months later, in the Spring of 1900, Harriman called a conference of men interested in the Union Pacific in order to discuss the

situation and consider what could best be done to prevent the Morgan interests from purchasing control of the Burlington. A pool was formed to secure two hundred thousand shares of Burlington stock, but the syndicate was unable to secure even half of that amount. Their failure was due to the large number of small shareholders who had no intention of parting with their holdings, and, eventually, the pool was liquidated.

A pause followed, which the public mistook for inaction. In reality, the fight was but beginning and as in all such struggles we begin at this point to have such conflicting evidence, each side disclaiming responsibility for the extraordinary events that followed. When Mr. Morgan, some years later, was questioned as to the matter by counsel in the Northern Securities case, he testified that his desire had been to purchase the Chicago, Milwaukee and St. Paul Railroad, rather than the Burlington and that he only had consented to buy the latter at Hill's desire. As Morgan's interest was largely in the Northern Pacific, for which he had long planned entrance into Chicago, this statement is probably true. Mr. Hill promptly entered at once into negotiations for the purchase of the Burlington. He maintained afterwards that all these efforts as regards the Union Pacific were open and above board. Mr. Harriman, on the contrary, declared with equal firmness that they were of the most secret kind, and that care had been taken that no hint of Hill's intention should reach his own ears or

those of Mr. Schiff. None of the Union Pacific Board of Directors would admit having any knowledge of the Hill-Morgan plans until March 1901.

An interview during that month took place between the two railroad men. It was brief and hostile, its tone leaving neither opening for agreement nor chance for compromise. Harriman offered, on behalf of the Union Pacific, to buy a one-third interest in the Burlington, for which he would furnish one-third of the total purchase money. Hill—secure in the prestige of his broker, whose power had been immensely enhanced by the just completed steel merger—categorically declined. The battle was joined and it was evident that Harriman felt deep resentment. He is reported to have said on leaving the room, "Very well: this is a hostile act and you must take the consequences."

Nine months later, Hill chose to explain his refusal to compromise or co-operate with the Union Pacific, by stating that it would "defeat his purpose" to have done so. Psychologically, the reason was that he felt secure to do what he wanted. In the light of after events, with the respect born of better knowledge of his adversary, he claimed personal friendship and high regard for Harriman. Such are the familiar catchwords by which the Anglo-Saxon heartens himself for the joy of battle! There seems no doubt that at the outset, both of these men enjoyed themselves. The elder man had a complete confidence in the power of his great ally, he

honestly believed that it was utterly impossible for Harriman or any other man to find the vast sums necessary to dispute Morgan's will. Also success against them did not in this case depend upon money alone. The actual majority of the Great Northern stock was in the safe possession of himself and his intimates, it would not be sold by them to any one. And, except by means of the Great Northern stock, how could Harriman reach or attack him?

Mr. Hill felt safe: but he was not safe. He had done what other men do, he had overlooked the back door. In this case the back door was the Northern Pacific, which had been made an instrument to carry the Burlington stock and whose shares, as Harriman well knew, were not, like those of the Great Northern, locked up in the strong boxes of Hill and his friends, but were at that moment purchasable in the open market.

The fact that, to carry out his desire, Harriman must find anywhere from eighty to one hundred million dollars in cash, was no obstacle to his bold mind. Despite Hill's security, his adversary had at his command the whole resources of the Union Pacific, which had at the moment a heavy balance in its treasury, together with the huge reservoirs of Kuhn, Loeb & Company and the City Bank. In the same month that the purchase of the Burlington by the Great Northern was concluded, the first purchases of Northern Pacific stock were made by Kuhn, Loeb & Company for the firm

account. By the fifteenth of April, they had acquired one hundred and fifty thousand shares of common and one hundred thousand of the preferred, the price had risen from one hundred and two to one hundred and thirty-one for the common and they continued to buy thereafter without pause on a rising market.

It is surprising what a sense of security will do. Wholly at ease in their certainty of having checkmated their enemy and obtained control of the Burlington, Mr. Morgan went off to Italy and Mr. Hill to the Pacific Coast. The speculation in Northern Pacific shares passed unnoticed by both for some weeks, or else was regarded as the natural outcome of that road's enhanced values by reason of the Burlington purchase. Nobody suspected—Morgan least of all—that any *coup* so audacious as the capture of the Northern Pacific was in contemplation.

Meanwhile, the buying went steadily on. The market price of the stock rose and rose. Even Hill's personal friends, tempted by these values, and eased by his and Morgan's apparent security, sold their shares by thousands and played into Harriman's hand. Even the Northern Pacific itself parted with large blocks of its own stock, and, stranger still, as late as May second, Morgan & Company sold ten thousand shares. Jupiter was nodding indeed.

Railroad men, it seems, are more alert than bankers. Hill was the first to take alarm. He was in Seattle when

his attention was directed to the transactions in Northern Pacific, with the rapid advance in both the common and the preferred and he felt, although he could not know, that trouble was ahead. While, as he declared himself later, he was unable to credit that anyone "would undertake to buy in the open market the control of a hundred and fifty-five millions of stock;" yet he could not ignore the fact that on May first, his holdings and those of his allies had shrunk from forty millions to twenty-six. Such shrinkage contained a definite threat: it must not be allowed to continue.

Hill's confidence was based on the fact of his knowledge that neither Harriman nor anyone else had such substantial holdings in the stock as he and his own party held on the last of April. That they should seek to acquire control block by block, seemed to him at first sight impossible, yet surely the situation of the first of May admitted of no other explanation? Harriman had accumulated financial resources which neither Hill nor Morgan had realized and he also made a daring use of the Union Pacific's credit. This was operated by equipping a subsidiary company, the Oregon Short Line, with funds sufficient to buy up seventy-eight millions of Northern Pacific Stock and by the time that Hill took alarm, this object had very nearly been accomplished.

In the absence of Morgan, therefore, Mr. Hill determined to reach New York "to watch the fireworks." With the rapidity of decision which characterized his

type, he called upon the Great Northern to furnish him with a special train which should have unlimited right of way. After the quickest run made up to that date, Hill arrived in New York on the afternoon of Friday, May third, and went at once to the office of Kuhn, Loeb & Company.

There Mr. Schiff informed him, in plain terms, that the Union Pacific intended, if possible, to acquire control of the Northern Pacific in return for the refusal to permit them a fair show in the purchase of the Chicago, Burlington and Quincy. "I am safe," Hill is reported to have said: "I do not believe it can be done."

Next morning, however, he had changed his mind. Surely, it was disconcerting to find on investigation that his own people had sold their stock, that his own firm of bankers had been selling it only the day before yesterday!

Disturbed, Hill went to Robert Bacon, who was in charge of the Morgan firm and suggested that the Chief should be cabled for authority to purchase at least one hundred and fifty thousand shares of Northern Pacific common, which "for purposes of control was of more value than the preferred." This was on Saturday, May fourth. By this time the battle of Titans could not longer be kept secret. Long before the Exchange opened on Monday, the brokerage houses were aware that a duel was impending and were preparing to turn it to their own speculative advantage. Rumors flew

wildly about all Saturday afternoon and even on Sunday and on Monday, May sixth, it was reported that the Hill forces were to employ James R. Keene, a well known market manipulator, to undertake for them a somewhat belated effort to regain control of the Northern Pacific stock. They had received an answer by cable from Morgan and all Sunday had been spent in organizing an aggressive campaign.

On the other hand, Harriman had fallen ill from excitement and was obliged to remain at home during all of Saturday. He had, however, secured by that morning a majority of the Northern Pacific preferred; and he lacked a majority of the common only by about forty thousand shares. This formed a clear majority of the total capital stock, taking common and preferred together; and, therefore, both Schiff and James Stillman, thought it wasteful to go on buying at prevalent prices. True, Harriman was worried because the Northern Pacific charter provided that its Directors might at will retire the preferred and leave the voting power vested only in the common stock. Yet both Schiff and Stillman felt that the chances of litigation in future meant less trouble than might be expected should the present duel continue.

On Monday morning crowds of brokers entered the Exchange and ran up the price of Northern Pacific common from one hundred and ten to one hundred and thirty. As bankers, both Schiff and Stillman saw

the dangers that might arise and were of the opinion that Harriman should be content to withdraw from the fight, even if he were obliged later to contest legally the question of the control.

In an interview, some weeks afterward, Harriman says that he gave an order on that critical Saturday to buy the necessary forty thousand shares, which was ignored by his bankers. Mr. Schiff had gone as usual to the synagogue and Harriman himself was ill in bed and unable to see Kuhn, Loeb & Company and persuade them to continue the campaign. By Monday, his opportunity to obtain an unquestioned control had passed, although the Union Pacific possessed somewhat more than half the total stock.

When Tuesday night fell, the Morgan force had acquired, after a rise of forty points, the hundred and fifty thousand shares which they had been authorized to buy. By Tuesday, May seventh, therefore, the actual struggle for the control of the Northern Pacific had come to an end; neither side after that did any buying, each believing that he had won the victory. But the excitement had infected the speculative public, by whom the original causes of the advance in prices was very imperfectly understood. Believing that Northern Pacific common had been forced up far beyond its intrinsic value and that a fall to normal levels must soon occur, an avalanche of short selling took place on Tuesday and Wednesday, under the expectation that the

stock could be bought a day or two later at much lower figures.

On Thursday, May ninth, when it became apparent that this could not happen, because the supply of stock had been cornered, the situation had become insane. The news had spread far and wide regarding the sudden demand for Northern Pacific Stock. Individuals from other parts of the country were hourly arriving in New York, with odd blocks of it which they had kept until then in the toe of a stocking and sold now for a thousand dollars a share. On all the rest of the list panic prevailed. Cold print fails utterly to convey the tension and the terror which such events cause, the helpless indignation of the rest of the world when Pan stamps his hoof in lower Manhattan. Nobody really knew why this should have came about, why they who had been well-to-do on Wednesday should be beggared on Thursday, without action on their part or re-action of any economic or industrial kind to blame for it. All they knew was the thunder and stampede of the herd, leaving ruin behind.

A photograph of that time shows a mob of brokers filling the street, trying to buy Northern Pacific stock at any price, while they were forced to sell at lower and yet lower prices other securities of unquestioned value. Some days before, the Bank of England had called together the Joint Stock banks to warn them against New York and as the Northern Pacific stock rose, these inter-

Courtesy of Harper's Weekly

The rush to buy Northern Pacific, May 1901

(from a contemporary drawing)

national bankers became heavy sellers. Declines of fifty points or more occurred to many of the soundest shares; call money was unobtainable and by noon on Thursday half the brokerage houses in Wall Street were technically insolvent, simply because they could neither buy nor borrow the Northern Pacific shares, which they had sold short. The situation, precipitated by the duellists, demanded firm and quick action unless the ruin was to become universal. A syndicate of fifteen bankers formed at the suggestion of Mr. Tappan of the Clearing House, with James Stillman at the head, arranged to loan twenty millions immediately, to relieve the strain. At the same time, the latter banker exerted his powerful influence with both Schiff and Morgan, that they should join in an agreement not to call for the delivery of the short sold Northern Pacific Shares until an opportunity had been given to the chiefs of both sides to arrange an armistice. Later, a price of one hundred and fifty dollars a share was agreed upon, as the price at which the shorts might be permitted to settle. By this action, the worst tension was relieved and the general apprehension had been somewhat quieted. In the utter nervous prostration of the next day came a pause permitting a return to more normal conditions. Violent though it had been, the Northern Pacfiic panic had not affected the general prosperity of the country, but by its reaction from the excesses of the preceding two years it

gave a wholesome if temporary lesson to the speculative public.

Both Hill and Harriman were reported as very much ashamed of themselves, but their real attitude is best shown by an anecdote Mr. Stillman liked to tell of one of them. In the midst of the excitement, Harriman had to undergo an operation for appendicitis. He was ever a rebellious patient, yet this time promised his doctors to be good, if they in turn would promise to let him speak into the telephone as soon as he came out of the ether. At the first moment of consciousness he demanded the fulfillment of this pledge and the telephone was held to his lips. To every one's amazement, he did not ask to speak to a friend or member of the family, but to J. J. Hill.

"That you, Hill? Yes: This is Harriman. I wanted to tell you the operation's over and I'm all right!" Then the sick man turned on his pillow with a little gleam in his eye, as one who hears the noise of distant battle, "the thunder of the captains and the shouting."

The public is always a convenient scapegoat, so we are not surprised to hear later that both of them insisted outside speculation was responsible for the panic. Mr. Hill picturesquely likened it to an Indian ghost-dance. To the onlooker, however, the episode appears as wanton, even hysterical, particularly in view of the fact that the situation regarding the contested railroads was quietly settled in a few weeks by an agreement of the

rivals. Co-operation between the Burlington, the Northern Pacific and the Union Pacific was arranged and Harriman took his place as a Director of both railroads. Compromises and arbitration therefore were found, as they usually are, to be less costly than warfare; and of the Northern Pacific battle, like that of Blenheim, little Peterkin's question: "But what good came of it at last?" remains as always the classic criticism of victory.

Chapter Twelve

LEGEND OF THE MAN WITH THE IRON MASK

"For he to whom a watcher's doom
Is given as his task,
Must set a lock upon his lips,
And make his face a mask."

It must have been about this time, towards the end of the year 1901, that James Stillman first became aware of a heightening in what the French would term his *considération*. Long ere this, of course, he was known for a rich and successful man, but New York is a city of rich men and during this epoch the appearance of one more mansion on the streets running East from Central Park was not a matter to attract attention. Money was being heaped up by a great many men with an appalling rapidity.

Power, now, was another matter. Power is of slower growth and although wealth promotes it, yet there must exist the equally vital factor of character. James Stillman temperamentally disliked being in the public eye: but the men who worked with and about him had come to recognize his force. Judgment even more than money accounted for this opinion. The Big Three—or

the Triumvirate—or whatever other name newspaper parlance chose to give these men, were known to sway the conduct of affairs in the financial district. Morgan, Baker of the First National, and James Stillman, could control between them a determining share of the country's capital. The City Bank's policy, if only during this last year, had plainly shown with what adroitness and weight this force could be wielded on the conservative and constructive side. Wall Street owed him much; the city owed him much; the country which felt the effects of a panic and but for Stillman and the men who acted so promptly with him, would have felt them deeper, owed him more than it knew. He had become a tremendous power in his world.

There were the usual evidences of this, pleasant and unpleasant. An article in the *World's Work*, 1901, is careful to state that the subject of it was "not a promoter, nor a manipulator, nor a speculator," but just the most successful Bank President the country has produced. This man—the writer states, "holds office in forty-one companies, including Banks, Trust Companies, real estate, railroads, gas, timber, copper, warehouses and life-insurance companies, besides being President of the Second National Bank and Vice President of the Fidelity Bank, which were both, with several others, under the direction of the City Bank."

Yet a man might hold office on all these Boards and not have at all the same position which James Stillman

had made for himself. Again this was due to character, to those qualities of foresight, exactitude and, above all, responsibility, which we have seen in him always. Let one of the most philosophic of his colleagues describe the impression which this man created, during these years—the crest of the wave—from 1901 to 1908 or 1909.

"An open-minded man, who was always able to estimate the weight, the value and the menace of the opposing side. So he became the natural rallying-point around which all conflict centered, by whose strength our passions were stilled. A man of foresight, detachment and wisdom, whose great courage was masked under an appearance of nervous timidity and silence. A loyal associate; once on your side he was there always, to the end. His silence was a strength; for he preferred to observe, reflect and draw conclusions rather than to speak. In his judgment men trusted. . . . A great peacemaker, who felt the economic waste of contention and in whose presence it was calmed."

If one seeks for any explanation of Stillman's influence surely it lies in these words. We shall return to them later, when treating of other qualities which had been superseded perhaps by his specialized talent, but which existed to take their toll on his personality and to influence his life.

Outside of business, the *considération* showed in its demands upon daily life and habit. For some years the house at 9 East 72nd Street had been placed upon the

footing of an establishment and conducted with a stateliness which is not always affected by the plutocracy. Facing a broad and sunshiny street with Park trees in the background it stands, little changed today, still large, heavy, ornate, pillared from the second floor, all in grey stonework and great windows. The site was conveniently near to friends and fellow magnates; not too far from Mr. Sterling, who lived around the corner.

The master of this house preferred quiet, order, regularity as became his temperament and was exact in his household arrangements to which he expected his staff to conform. Though not to be described as overformal, yet he leant toward the dignities in his personal atmosphere. He liked entertaining his friends at dinner, with elaborate food, of which he took little, and the very best wine, of which he took less. These details he desired to have praised, yet he was very chary of praise to others and came in time to wish that he had praised more. His sense of justice made him respected and liked by his servants more than many a more genial master.

During this period it must be understood that he lived practically alone. His children were grown, and some years before, a marriage which had become increasingly unhappy had terminated in a quiet separation. On this subject he was never known to speak and for a long time even those nearest him could only guess that such a separation had taken place. They knew that the fact caused him suffering for he bore the marks of it,

ever since a day when he had accompanied his wife to the dock where she took passage on an Atlantic liner and returned by himself to his house prepared to go down-town as usual. Those in the house were aware of this suffering though it was locked up with other griefs behind the iron mask. Life moved on and entered upon another phase, nor was James Stillman really more alone than he had been before. That "permanent gravity in his mode of being," which so many noticed, was confirmed by the experience.

Indeed there began to close about him from this time on the isolation of a great success. His reticence had always made him lonely, even as a young man,—taciturnity does not make for ease; but from now on it was formidably increased by the weight that responsibility laid upon his shoulders. Money, says Swift, is liberty: but great wealth is a jailer. And so we find James Stillman, saying, "I have never in my life done what I wish: I cannot now." Yet one must not depict a recluse: "when among those he trusted," says a colleague, "he showed humor and some sentiment," and silent though he was, he hated to be alone, especially at dinner.

For some years there was a good deal of going out: of the occupations which habitually figure in the social columns of the newspapers. A number of these were from policy; but more from pride and a sense of fitness. By tradition, family stock, background, he belonged to whatever of aristocracy these United States can really

claim and he felt the pressure of that demand "*noblesse oblige.*" True, he always admired the English bankers and their sturdy sense of caste; so far as pleasure goes, what he derived from the social spectacle was that of a philosopher with a dash of the cynic. And when in time and under press of work, he came to find that, as he said: "A man cannot be a great man both up-town and down," then the opera-box was given up, along with the other trappings.

The days were regular. Breakfast went upstairs on a tray, not too early, for James Stillman worked late and slept late. This was always a moment of anxiety for the household, as the four eggs must be done exactly so, or they would be sent down again. There were days when, although the master of the house remarked that he "couldn't abide to lose his temper before breakfast," yet the chef must cook dozens of eggs until an acceptable quartet was produced. Meanwhile dressing proceeded very exactly and carefully, probably a brown suit and an harmonious tie. Little boys, who came in to play with the younger son, used to wonder at the marvellous array of ties in every hue and the dozens and dozens of polished boots behind shining glass doors.

A long, gold chain, with a star sapphire charm, was looped around his neck under the collar, coming out at the button-hole to secure the "ting-a-ling" watch, so fascinating to grandchildren. There was also an emerald ring cut with a seal. The general result was

satisfying to the eye, as portraits show . . . A handsome man, with a finished quasi-foreign air, strange, brilliant brown eyes and a drooping mustache hiding the firm, sensitive mouth. Orders were given and must be carried out as given. Like most men, Mr. Stillman wanted the best of everything, but without extravagance. He abhorred waste and show, as he abhorred vulgarity and notoriety.

On the way to the office, his habit was to stop in at certain of the subsidiary banks which the City Bank controlled, such as the Bank of the Metropolis, the Columbia Bank, the Lincoln Bank. Perhaps the Second National or the Hanover, in which he had an interest, would be visited. These calls might concern themselves with the largest matters or with the smallest: that lightning-quick intelligence could spread or contract as need was, like the tent in the Arabian fairy-tale. Once he noticed that the awning at the Second National was heavy and sagging with dripping snow, whereupon he went in at once to protest to the President, pointing out that the velvet dresses of the ladies, which were then the fashion, could not escape being marked by every drop.

At about eleven o'clock the City Bank was reached, reports placed before him, the Vice President consulted, followed by other heads of departments and a few appointments made; James Stillman never saw many people, nor did he keep very long office hours. In fact, he was seen very little, which contributed to his legend.

Extreme concentration as a habit saved his time; and the Bank had always for him an actual personality. He liked to insist that he was not methodical, but in the Bank he expected the best methods to be efficiently pursued.

Naturally the appointments and the atmosphere dominating office hours depended on the situation of affairs at the moment. It might chance to be a day of strain, when giants were battling in the Stock Exchange, a few doors away. In that case, while the tranquil poise was undisturbed, yet the nervous force exerted must have been taxing in its control. White-faced men went in to see him and came out relaxed and cheered.

Perhaps it was a day when things were going well; when Mr. Morgan was in a good-humor and Mr. Harriman was not too obstreperous and one could see ahead in advance of the next wave. The period was one of prosperity and the great thing was not to spoil an opportunity by haste or interference. James Stillman let the current carry him; but knew when to guide his direction.

If this was one of those good days, it might be necessary to speak to Mr. Harriman on the telephone, and then would ensue one of those duels of secretarial *amour propre*; each of these guardians wishing to emphasize the importance of her employer, by having the other secretary's principal ready at the telephone first. . . .

"Mr. Harriman is right here, please call Mr. Stillman to the 'phone . . . !"

"Mr. Stillman is at the 'phone, please call Mr. Harriman to the 'phone," and so on till one or the other gave way.

Then there were personal accounts and expenses to be scrutinized, always with the same care and exactitude as those boyish account books of the sixties and seventies. If it were a routine day, somebody might bring in some books or pictures relating to the old financial district of New York, in which he always took a great interest and who would receive payment then and there from the bills he carried in a flat silver cigarette case. Anything especially attractive for his women-folk would be pretty sure of succeeding in the same way.

These relaxations over in short order, he would go back to his desk again. Maybe something turned up which made it advisable to ask Mr. Sterling to step down to talk for a moment. If Mr. Sterling then replied that he would be there at twelve minutes past two, the secretary knew enough to expect him at that exact moment. This exceedingly able lawyer played so large a part in James Stillman's life that his picturesque figure should be now revealed in these pages. He was an astute mind, ingenious and resourceful, a schemer whose loyalty was as great as his business ability. The two men had been friends ever since the Woodward and Stillman days, when they first met through Mr. J. O. Bloss, a cotton

merchant, who was also, as they both were, a member of the Union League Club. As early as 1876, the lawyer had gone to Texas on Stillman affairs.

John Sterling was a Connecticut man; six years older than his friend. In time he also came to have his legend, which depicts him as a lad of humble beginnings, hanging curtains for an upholsterer. As a matter of fact his father was a man of means and the son took not only the four years undergraduate course at Yale, but a post-graduate year as well, something quite unusual in those days. After two years at the Columbia Law School, he was admitted to the bar in 1867. The curtain-hanging episode, therefore, is probably wholly legendary, although it might have been the result of a boyish experiment in independence.

"Lord John," (so nicknamed probably because he represented Lords Mountstephen and Strathcona, as well as some other titled Englishmen), deserved his legend more than most Americans. His peculiarities were marked and did not lessen as he grew older. A small, genial man, physically energetic, neither so distinguished-looking nor so finished as his friend, he was exactitude personified. The same seat at the same table at the Union League found him night after night, except on the one night of the week that he visited another Club. When something occurred to annoy him at the Union League, he would walk all around the block out of his way so as not to pass the offending in-

stitution. In the same way, although descended of a sea-faring family, his dislike of water kept him even from crossing a ferry and no amount of persuasion could make him take a sea-voyage. Devoted as he was to James Stillman, he would never visit him in Europe. He seldom left New York, except on an annual fishing trip to Canada and he took his ride every day in Central Park, disdaining the new-fangled motor-cars until they were conveniences in common use.

His oddities often amused his friend, who sometimes teased him about them: and who chuckled when he heard that "Lord John" had seriously forbidden his housekeeper to use his front door, for fear of gossip—he being a bachelor! There came a time when the lawyer increased his reputation as an "odd stick" by locking himself up each night behind a steel grating, but as we shall see, he may have had his reasons.

With all his eccentricities, he was a devoted friend and valued adviser, utterly above the suspicion of trying to "make" out of his client, since he steadfastly refused to accept a personal fee. When the two came to celebrate their fifty years of friendship, both of them were a good deal moved.

Perhaps the most surprising feature of their intimacy was a certain strain of mysticism and intense emotion, which lay at the bottom of both natures. These feelings, probably the very last of which the world around them would have suspected as dominant in a shrewd

lawyer and successful banker, were, one suspects, in both men the outcome of an imaginative and intensive loneliness. They were real, however. Mr. Stillman told more than one friend of being awakened in his house in Paris by a strong awareness of John Sterling's need and finding, by cable, that his friend's mother had died that night. Mr. Stillman, in truth, had always one qualification of a mystic, he made his home in the Temple of Silence.

When the time came to leave the Bank, there was a pause in the day, to be variously filled. We are dealing with a period when the whip-lash of the century was not laid so heavily about our backs and when there was a chance for a pause and a change of thought at about five o'clock. Mr. Stillman had some outside hobbies, he was interested in photography—and used also to do ten miles or so on his bicycle for exercise. Once he offered his carriage to some visiting English financiers, who were surprised to encounter their host an hour later in Central Park, busily pedalling away.

Nowadays there was no time for this and the late afternoon was less active. Many days it would be occupied in shopping, from which he always drew keen enjoyment. Even before the era when shopping meant paintings, tapestries and Persian pottery, he spent much thought on the dresses and hats and parasols he chose for his daughters. He had the delightful habit of "unbirthday presents" and was always sending some young

débutante a fan or bonbons; or ordering flowers to show sympathy or congratulation; or choosing quaint trifles for a friend's special taste and books for everybody. It seemed the only form of demonstrativeness which his somewhat repressed nature permitted and no time or trouble was too great, especially when it concerned a child.

More than one little girl remembers the wonderful doll's trunk of beautiful fripperies which he chose for her. A journalist coming in once as to a royal audience, discovered the "Sphinx" carefully wrapping five nickels in tissue-paper and fitting them into a tiny box. The newspaper man was full of questions, but James Stillman didn't even look at him until he had inscribed the box with a grandson's name, to which he added the inscription "*The Five Senses*"! On another birthday he had an elaborate tiny model made of some machinery to interest the child. . . . Needless to say, such a habit of mind also led to much general giving, of the type expected of the rich.

We hear of a Stillman Professorship at Harvard, as well as the Infirmary, also of a hospital site at Brownsville, Texas. Subscriptions to large amounts were made to Harriman's Boy's Club, to the American Academy at Rome, and to various charities. At the Beaux Arts in Paris, his name is inscribed, as the donor of half-a-million francs in 1905, on a tablet in the Vestibule de l'Orloge opening on that court, which is all that remains

of three ornate and vanished chateaux. The City Bank Club, a social and educational organization of employees, received at different times over a hundred thousand dollars. The sick and needy of the Roman Catholic parish of St. Agnes thanked him in 1906 for a trust fund of ten thousand. Their pastor, the Rev. Henry D. Brann, a man whom the giver both liked and respected, was sent on a vacation to Rome in 1909. This last kind of giving was the kind Mr. Stillman preferred and of which, as we shall see, he had the art to a high degree.

"How can I ever forget the *considerateness* of your generosity?" one grateful person writes.

Meanwhile the crowded day moves on which has held all these activities.

Dinner was at eight o'clock and never alone if he could help it. Usually he didn't want to talk, but he always hated to be alone. Friends and colleagues at the Bank came on regular evenings, when campaigns and conditions were discussed and plans were laid. "Lord John" was a guest two or three times a week.

These occasions were solemn enough to the younger guests whom James Stillman especially liked to have there. One of these has a vivid recollection of such a dinner, when he was taken to Mr. Stillman's house by his father: "Lord John" being the fourth. The meal proceeded in a silence which was expected by the father and son, who had made a bet as to which of the two elder men would speak first! A visit to the Union League

Club ended the evening, and if "Lord John" had not been available for dinner, James Stillman would call him up and slip around the corner about ten o'clock for a chat. It was said that Mr. Stillman was the only person who was ever permitted to break in upon Mr. Sterling's rigid routine of life; a routine demanding the same action at the same hour with an exactitude amounting to eccentricity. If he was fidgeted by his old friend's sudden telephone message, which sometimes found him in his pajamas ready for bed, Lord John would not refuse him. Both were lonely men and very close to one another.

On Sundays there was church, though not always, for it depended somewhat on who was to preach. Mr. Stillman recalled the day in St. Bartholomew's when fire broke out and was amused at the way the congregation ran! He always maintained that a preacher should be really good and should be sent from church to church; that if there was no good speaker available there should be no sermon. In those days people did not so often spend Sundays in the country, but Mr. Stillman was very apt to do so. The breeding of cattle continued to be his hobby for many years and he used to defend it, saying quaintly, "The more you look at a horse, the faster you get, but the more you look at a cow, the more refined you get!" In midwinter he might take a rest at Palm Beach (one could rest there then, it seems) and the yachting season

A Sunday snapshot of the banker at his home in the Cornwall hills

at Newport he very much enjoyed, having once assisted in building a Cup defender. New York, however, growing and wonderful, New York and a few intimates, he loved best of all.

This is surely a genial picture enough and it doubtless tempts the reader to ask at this point—whence the Legend? Where—in this day, filled with work and gifts and friendship—is to be found that figure whose name became at one time almost a synonym for cold and ruthless force? Turning the leaves of memory in many men's minds, in search of that past impression and of that personality, the seeker was reminded of those eighteenth century portraits which depict a stately gentleman seated before columns and looped crimson curtains, holding a globe or a book or a spy-glass in the most peaceful manner, while a thundercloud looms heavily in the background. Here is the stately gentleman, backed by the imposing façade of the City Bank —and the thundercloud looms there also.

Let us see to what this impression was due. First of all, unquestionably, to his total unlikeness to the crowd. The business American is an extremely gregarious creature, whose life is spent rushing around with his group and whose convention is nothing if not hail-fellow-well-met. Being a sheep in his herd habits and governed by catchwords, he bears a grudge to any man outside the flock whom his catchwords won't fit. Let the successful capitalist wear a mask of easy good nature

and the crowd will understand and condone his wealth —not otherwise. Thus they admired the figure of J. Pierpont Morgan—about whose head was already gathering a cloud of myths, shot with the gorgeousness which had shone even upon Timurlane, or Alexander. Never will the crowd forgive a success which has been attained in their despite, nor a strength which the weak hate as well as fear.

These are generalities, but particularities support them: we stand for what we are. James Stillman tended, in the words of one who knew and esteemed him, always to be "a little sardonic and sarcastic, a little cold and saturnine." He could and did say things that hurt. He was at times unbearably harsh. Intellectually, he was over-subtle for the average mind to follow and gave the impression that he watched the fuss around him with a touch of contempt. This attitude is never popular. Moreover, he seldom flattered one by appearing to be influenced when he wasn't and he was more regular and orderly than a crowd likes. Also he was always grave, so it is not perhaps surprising that among the ribald young men of the Morgan office, he was sometimes alluded to as "Sunny Jim!" On the Street, there was hardly a person who had not observed his extraordinary patience in pursuit of his purpose—a patience that was almost feline. Enemies knew that he would wait immobile, for two years, or for five years, or for ten years—

but at the first sign of weakness he was ready. This lost nothing in the telling.

Undoubtedly that reticence, which was so marked an idiosyncrasy and which he made use of with the skill of a trained psychologist—heightened and deepened for strangers or mere acquaintances the impression of power. That power was real as later events testify. In the Money Trust Investigations of 1913, the Commission estimates that the total resources of J. P. Morgan, George F. Baker and James Stillman as contained in banks, businesses and personal fortunes—amounted to well over three billions of dollars. At the date of which we write the sum could not have been known, but the effect the sum produced was felt and James Stillman's manner did not lessen it. When a man says nothing, nothing whatever, but instead of answering sits there fixing on you a penetrating, immovable gaze, and all the while you know he has illimitable power either to make or mar, you grow afraid.

That small, cold, elegant figure was very terrifying to some people: there were stenographers in the Bank who became so panic-stricken they couldn't even take his dictation.

When one adds to this that he lived in the Street but not of it and in society but not of that, that myopia and shyness increased the reticence almost to a morbid degree, you have the materials of legend complete. Were his name mentioned, one was sure to be told the story of

the two brokers meeting, one of whom had been to Egypt. "And whom did you see in Egypt?"

"Why, at the foot of the Sphinx I met James Stillman!"

"I bet the Sphinx spoke first!"

Or perhaps it would be the story of his having joined the Silent Club, whose members were pledged to taciturnity and from which he resigned on hearing one of them remark, quite superfluously, that "it was a pleasant day!" He himself told with amusement of the newspaper that printed a brief interview, under the six-inch black-lead caption of "THE DUMB SPEAKS!"

Even friends would jest about it, as when one of them sent him seven corks: "so he could cork himself up for each day of the week."

Yet the man was interested in all sorts of people, provided that they did things or thought them; he liked to talk with Mr. Harriman about railroads; with Dr. Kunz about crystals, with artists about paintings, and with doctors about medicine. He was without bigotry: a man who backed a magazine with his money yet "never once" says the Editor of the Outlook writing at his death, "did he intimate his disapproval or desire that the paper should change its policy". . . a member of the Episcopal Church, who gave to the Roman Catholic charities. As a man he was extremely sensitive and high strung; this mental pressure took its toll in time by slowing down the activities of the body. He moved quietly,

spoke quietly (or not at all,) and conducted life quietly, insisted on quiet. But nerve-strain showed itself in occasional bad sick headaches, with days on burnt toast and tea.

During the years of which we write, this legendary James Stillman was probably not wholly unacceptable to its protagonist, who did not mind being feared and rather preferred it to being liked. Later on, as we shall see, it wore a different aspect; but undoubtedly he felt his power somewhat arrogantly at this time. The whole group of men who dominated the Street did so. Something very splendid had been put into their hands to build and they had built it. They felt the joy and certitude of craftsmanship and the contempt for the herd which such craftsmen always feel. We expect this in the literary man or the artist, smiling indulgently; but there is no indulgence in our attitude toward the captain of industry. It is interesting and salutary to look back upon that time, when men spoke of Morgan and Stillman as if the money power they represented was eternal. One of the two at least knew that it was not.

Chapter Thirteen

HARRIMAN AND THE RAILROAD INVESTIGATIONS

ONE indirect result of the Northern Pacific raid led to the formation of the Northern Securities Company with J. J. Hill as the President. This was the first of those enormous holding corporations against whose legality the Federal Government, a year or so later, was to wage an active warfare. Alarmed by Harriman's secret and well-nigh successful attempt to secure a majority of the Northern Pacific stock, Messrs. Morgan and Hill determined to make similar attacks impossible in future. Thereupon Hill originated the idea of a holding company which should bind together the various interests in so strong and permanent a fashion that they should be impregnable to outside rivals and secured by an unified control.

Such a corporation was to obtain, by exchange of stock, a majority of the shares of the Northern Pacific and Great Northern Railroads, including the newly acquired Burlington, creating at once a capital so large that there was small likelihood of any hostile interest successfully trying to capture it. It was intended, as the inventors stated, to make for safety. But the safety

of millionaires has often been held to be the danger of the public.

A marked tendency to amalgamate among the larger industries had already been noticeable in the Amalgamated Copper Company and in the United States Steel. Public attention had so far failed to note the significance of these, largely because they concerned industries which had always been a subject to flood or ebb, to rivalry and contest. The Northern Securities merger, however, was a different matter, for the reason that it concerned the railroads, and the idea of competition among the railroads was one firmly grounded in the public mind. When it saw, therefore, the great railroad systems of the country being slowly but surely gathered into a few hands, the fact that those hands were the most competent to deal with them had no quieting effect. Already in existence was the Sherman "Anti-Trust Law," passed for the purpose of preventing such centralizations of power. In the light of present results, the historian is apt to be a trifle cynical in his estimate of the benefits of the Sherman Anti-Trust law and a thought tempted to repeat Burke's famous query: "What signifies the cutting and shuffling of the cards, while the pack still remains the same?"

In 1901, however, the idea had taken possession of the public consciousness and had been raised to the importance of a political dogma. Suit was brought to dissolve the Northern Securities Company and after a

three years' fight in the courts, the Supreme Court ordered its dissolution. "It was a victory," says Mr. Noyes, "of high importance and a check whose completeness was not fully recognized at first, to the effort of consolidated capital to seat itself in a complete and impregnable control of industry."

And it was something more. From the historian's point of view the dissolution of the Northern Securities Company marked the close of the individualistic era in American business, for with it the domination over an industry by single men, such as Carnegie or Harriman, Morgan or Rockefeller, came to an end.

There were few people at the time, however, economists or other, who saw clearly enough to appreciate the full significance of the Northern Securities case. Despite the reaction which had followed the panic of 1901 and the so-called "rich man's panic" of 1903, the tide of prosperity continued to swell forward in huge volume. All the influences then existing tended to center men's interests in the wave of expansion. A world-wide rise in prices, enormous crops, vigorous trade development and our favorable situation toward the necessities of Europe, led to an outburst of speculation, both in securities and in commodities. These survived the reactions caused by the Boer War and the Manchurian War between Russia and Japan. Many Americans began to feel that their country was no longer subject to the ill-effects of political disturbances as in other

countries, that their prosperity was impregnable. They launched themselves into new ventures, some of which were successful and some were not. The optimism of Wall Street infected Europe and by 1905 the sensational speculations of 1901 began to be repeated by the whole world.

Extravagance in living went hand in hand with the sinking of enormous sums of money in land, in building, in general speculation and by the profitless wastage of two wars. No wonder that far-sighted men like Mr. Jacob Schiff, seeing that this launching of new enterprises for speculation proceeded without check, notwithstanding falling bank reserves and rising money rates, predicted "a panic such as will make all previous panics look like child's play!"

James Stillman's part in the enterprises of those days was as usual a deliberately subsidiary one, which kept him well out of the public, as well as the speculator's eye. It was not for this reason unimportant, and we have the testimony of living colleagues that he was always on the side of the conservative and constructive elements. These years saw the disappearance of much of the financial rivalry which had previously obtained in Wall Street. Two main groups were still defined and integral, on the one hand Morgan and his allies and on the other Standard Oil forces; but, threatened as they were beginning to be by outside criticism and public suspicion, they formed a certain community of interest

by which their individual character became at last submerged.

Among all the figures of that period, Harriman remains the most outstanding and energetic: he had boundless ambitions; during those years he made a hundred plans. In 1905, when James Stillman warned his old friend that the time was approaching when they should both abandon active work, Harriman declared that if the law allowed he "would spread not only over the Pacific but over the Atlantic coast. I would go on," he added, referring to his railroad schemes, "as long as I live!" A newspaper cartoon portrays him bestriding the globe as a "Colossus of Roads."

This restless, ingenious and brilliant mind, by which as James Stillman put it, "A director's meeting would be synchronized so that all their pendulums should swing together," was not likely to cease its mercurial activities, while there was life in the weak body. James Stillman admired him, liked him and strove with him in the interests of peace. As it was he who had introduced Harriman to the group of capitalists whose headquarters was the City Bank, he was much interested in Harriman's enterprises. Of these he avowed himself as sometimes doubtful—but his loyalty was fundamental and went deeper than judgment. This judgment recognized the limits of his friend's genius, felt that the audacity which had led him so far made him uneasy to deal with, and realized that Harriman had taken chances so often

successfully that he sometimes took them for their own sake. There were certain truculent and obstreperous qualities in Harriman, which their allies looked to James Stillman's quiet strength to subdue and this was an exhausting performance.

It must have been about this time, or a little later, that once, after he had been contending with Harriman all day, the latter came into his box at the opera and suggested that he wanted to speak to him in private. When the two men reached the Harriman house on East Fifty-Fifth Street, they went into the library in silence, where Harriman gave his friend a cigar and poked the fire into a brighter flame. After a pause Stillman asked the reason for their return and Harriman gave a shrug.

"Oh well," said he, "you must have been tired of that opera. I know I was!"

It was an overture and his friend felt it. They fell into a talk, which James Stillman long remembered, particularly when he once asked Harriman what interested him most in life.

"I think," was the characteristic answer, "it is to plan some big piece of work that everybody says can't possibly be done and then jump in with both feet and do it!"

He might have added, as we find him saying in a letter to James Stillman not long before he died, "I like to work with brains—." It was for this reason he liked to work with the President of the City Bank.

We must pause at 1906, which brought new problems to both of these men. The whole question of the Governmental investigations, which were an expression of the growing uneasiness of the public, must needs be introduced at this point in our history, although it was not until some years later that they had any concern with James Stillman himself. They occurred in three separate groups and their material is classified in the reports of the United States Industrial Commission, 1900 and 1902; in the Interstate Commerce Commission, entitled "An Enquiry into the Consolidation and Combination of Carriers," 1906; in the testimony of the Supreme Court suit for dissolution 1910, 1911 and the report of the Money Trust Investigation of 1913. This latter, which was formally entitled "Report of the Committee to Investigate the Concentration of Money and Credit" is the only one in which James Stillman figured, on account of his dominance of the National City Bank, as its largest stockholder.

The Carrier's investigation of 1906, however, was and was made more prominent as well as more acrimonious by the fact of President Roosevelt's personal hostility to the Railroad man. This quarrel, often discussed, plays no part in these pages, but it had a great effect in heightening the tone of the Committee, who permitted themselves to use expressions more violent than is customary or politic in such a matter. It is the Chicago

and Alton purchase and re-organization to which the Commission devoted its especial time and attention and Mr. Harriman's biographer makes a carefully documented analysis of the whole transaction, by way of a refutation of the charge brought against him. In 1899, he tells us, the first syndicate had been formed, naming James Stillman, Jacob Schiff and George Gould to join Harriman in the purchase of the Chicago and Alton road on the terms for which it was then obtainable. Ultimately, this group was increased by a number of important names which came in time to include a hundred well-known men. With the extravagance which throughout marred their conduct of this investigation, the Commission termed this group "pirates" and "conspirators," called their actions "crippling or gutting" and characterized this whole transaction as "indefensible financing by a band of wreckers." By such vituperation they sought to bias the public mind in favor of their own proceedings and of others to follow them. Facts were completely ignored in this campaign of misrepresentation, which had widespread effect. Practically all the magazine and newspaper articles from 1906 to 1911 are influenced by this violence of tone into misstatements major and minor. Thus the *World's Work* of February 1910, describes James Stillman as the "lieutenant" of J. P. Morgan. If the former ever was heard to laugh—he must have laughed then!

This is not to deny the need of correction in certain

matters which the Commission was called upon to investigate, nor yet the arrogance and high-handedness by which certain successful men sought to impose their will upon the public. Whether the Carrier's Commission or any subsequent Commission really accomplished the psychological restraints which were expected of them may be open to doubt. Your able man, when his activities are checked by a barrier, is apt to burrow a way under the fence. Yet it is necessary for the purposes of this history to comment on the fact that the findings of the Carrier's Commission which ought to have been weighted by a judicial impartiality and impersonal truth, lost much credit with the judicious, but immensely inflamed the minds of the ignorant, whose attitude is apt to be that all money in which they do not share has been wrongly acquired. The American public is not unlike that American mother, who sends out the message to "find out what little Johnny is doing and tell him to stop!" and this applies particularly to matters which it does not understand. No doubt there was much to criticize in Mr. Harriman's financing of the Chicago and Alton, which partook of his especial qualities of over-certitude, audacity and arrogance. We know that James Stillman himself felt this, and thought that his old friend had gone too far. The only coolness that ever existed between the two men occurred just after the financing of the Alton and because James Stillman felt that Harriman's head had been as he put it "a

little turned and he wouldn't listen to a conservative policy."

All this was some time *before* there was question of any Commission. What Stillman's attitude became during these investigations is best shown by quoting in full a letter of his dated August twenty-first, 1906. Believing that the attacks on him, which filled the newspapers, might affect harmfully the City Bank of which he was a director, Harriman wrote to Stillman making that suggestion and offered to resign. Mr. Stillman answered:

"Dear Mr. Harriman:

The impression you gathered from our informal conversation last Sunday evening, as expressed in your note of today, is entirely erroneous. I do not believe that the criticisms levelled against all of us by the Press are provoked by any means by you alone. It is because we are prominent and because this or that newspaper as the case may be, is hostile to the large interests with which we are identified that gives reason for the onslaughts against us.

It is quite immaterial which one of us is singled out at any particular time; the rest of us get the same treatment at other times. If newspaper attacks on prominent men governed their qualifications as directors, corporations would be weakly organized. You are too valuable a director and too much esteemed by your co-directors to permit of the course proposed by your letter. Accordingly I return your resignation and beg you to tear it up and think no more of the matter.

Sincerely yours,

JAMES STILLMAN."

Unfortunately for the various Commissions instituted at this time, the excitement and diversion of "muck-raking" became too much the vicarious enjoyment of readers and sensationalists to be conducted in a proper tone. The newspapers became a stage for political posturing, for inflaming exaggerations and unseemly personalities. Looking back over the pages of the magazines—one is irresistibly reminded of Arnold's description of the British public "in one of its periodical fits of morality." Although certain of the abuses which they endeavored to correct were real, yet solid citizens everywhere were affronted by a manner lacking both in dignity and weight. If on the one hand the scurrilous invective applied to Harriman and some others was totally misleading, so on the other hand was the suggestion that President Roosevelt was in any manner responsible for it. In his speech of April fourteenth, 1906, he publicly disavowed "muck-raking" and all its works.

Yet the "muck-raking" continued and people continued to believe that the President approved of it, while Roosevelt's political backers, if not he himself, dared not interfere with the popularity of this view by too emphatic a disclaimer. The growth of the great corporations had aroused the jealousy of the public, which was determined to check them, with or without the help of the Administration.

More than this, Roosevelt's energetic temperament

was a dynamic force equal to dealing with such a situation. He was among the first to recognize that the Executive must sooner or later come to grips with the corporations, that if the country was not governed by the former, it was likely in future to be governed by the latter. That square powerful hand, as we see it laid on the newel-post in Sargent's portrait, was not the hand to make omelets without breaking eggs. Whatever the origin or the reasonableness of his quarrel with Harriman, it was a mere incident and not a cause of the "muck-raking" period. That period was one of social reaction with an effect upon subsequent events, of which only now are we able to determine the extent.

The period of investigation lasted from 1906 to the end of 1913, during the greater part of which speculation on the part of wealthy capitalists continued by the use of a credit apparently unlimited. In fact the advertising which was given to certain rich men admittedly caused the entry into the stock-market of persons who had never thought of it before, and who naïvely felt that if Mr. X was really so wicked and so successful they could do nothing better than to follow whither he led. But the thoughtful and solid business man was undoubtedly roused by the enquiry into various nucleii of wealth, notably the railroads, raw materials and insurance companies, to a state of mind which combined uneasiness with indignation. Unhappily, he could do little in the events which followed and he must now look

back with a shrug at the results of this feverish effort of the public to set its house in order. With a magnificent gesture, the Standard Oil was fined twenty millions, but by the time the fine was remitted the general public had forgotten all about it!

James Stillman had realized clearly what was going to happen when the public grew tired of the sport and when the excitement spent itself. He was philosophical and he shrugged his shoulders. But he did not underrate the disruptive forces of which this turbulence was but a manifestation. He was conducting a bank, moreover, the most sensitive to the financial barometer of all created things.

A City Bank colleague of his says that he saw that affairs were working toward a crash and indeed that he expected it as early as 1906, though always hoping that it might be avoided. Therefore, we find him following the progress of the Carrier's Investigation with some anxiety on his friend's account, which was not lessened by Harriman's demeanor on the witness-stand. The railroad man's temperament was not the type which stands this sort of thing with diplomacy—he was too impatient and too truculent to do himself justice. No doubt both Jacob Schiff and James Stillman were needed as quieting influences.

Chapter Fourteen

"CONDITIONS PRECEDENT"

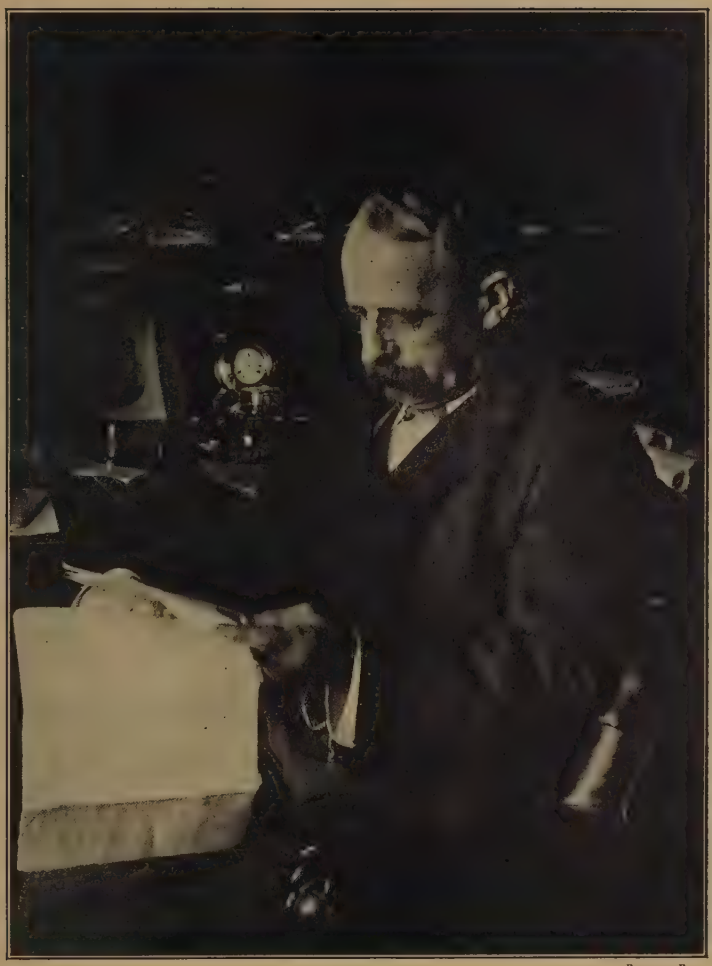
As 1906 moved on toward 1907, it became evident that the activity which marked the year was tending toward the feverish. Underlying conditions were by no means so favorable as they had been and the recklessness of speculation in certain quarters had begun to bear fruit.

By October the bank rate had risen to six percent, a height it had attained but twice since 1873, and credit resources began to show exhaustion in more than one direction. The insurance investigation, under Charles E. Hughes, had now terminated, and its revelations of waste and extravagance left a deep effect upon the mind of careful financial men. Stringent laws were the prompt result, so that powerful speculators were no longer able to make unchecked use of the funds under their control. Authorities hold that these laws were one of the factors which prevented the panic of the following year from becoming even more disastrous than it proved.

Matter of speculation, however, was not to lack and 1906 proved to be a year of spectacular events and excitements. Particularly was it a year of importance in the life of Mr. Harriman.

For some time past he had sought rest and recreation in the beautiful estate which he named "Arden," and to which he gladly welcomed James Stillman whenever the banker would come. In April came the news of the San Francisco earthquake, which Harriman took at once in the light of a task laid upon himself. He spent the afternoon of April nineteenth telegraphing the general managers of the Union Pacific and Southern Pacific Railroads "to put all their resources at the service of the stricken city. But this did not seem to him enough. He wanted to be on the ground and to direct personally the work of relief." At once he left for the Pacific Coast, following the course of events all the way by telegraph, as a general directs a campaign. A friend gives a picture of the little man sitting in his private car as he approached the burning area, dangling his slipper at the end of his foot and reading "The Mill on the Floss." San Francisco has not forgotten and will not forget the work he organized and carried out, to which the city owes much of her rapid recovery. He spared neither his purse, himself, nor his railroad organization in the work of humanity. But for his presence, his promptness and the effectiveness of the relief work under his direction, the situation of the refugees would have been a thousand times more dreadful.

In August there occurred the much disputed episode of the Union Pacific dividend, which was suddenly raised from six to ten percent. Violent speculation en-



Brown Bros.

E. H. Harriman in his office

sued and a storm of criticism against Harriman arose. He was accused of purposely withholding the announcement of the rise in rate for stock-jobbing purposes and further, of having bought the stock in advance of the public on his private knowledge. Mr. Otto Kahn, in his study of Harriman, refutes both these charges, while at the same time observing that he personally differed from Mr. Harriman's judgment "in raising the dividend rate from six to ten percent at one jump."

This action of concealing the advance in rate was made the subject of severe comment by Professor Ripley, who states that it was not revealed for two days.

As a matter of fact, it was James Stillman who, having heard the rumor that the Union Pacific was largely increasing its dividend and withholding the announcement for speculative purposes, went at once to Harriman's office and urged him to make the announcement immediately. Mr. Harriman replied that as the Stock Exchange was closed, the announcement had better be deferred until its opening on the 17th, otherwise the London Exchange would reap the benefit. He then called in Secretary Millar and instructed him to make the announcement the first thing in the morning. Characteristic of both men was this incident, of Harriman that he should have ignored the serious criticism which his decision was bound to cause, of James Stillman that he should have been the first to see, to realize and try to remedy his friend's mistake.

The wave of speculation in Union Pacific, causing a rise of thirty-five points in two weeks, only served to participate the unsound conditions prevailing in the money-market; a sudden check to stock market activity was the result. By September the New York Banks reported a deficit in their reserves. This had an immediate effect in Europe, which had looked upon American credit as practically invincible. Evidences of exhaustion began to manifest themselves in quarters outside the money-market. There was a sudden piling up of "indigestible securities" and values were thrown into confusion.

Many of the great Trusts found their securities declining; the launching of new enterprises by important capitalists became unexpectedly difficult. H. H. Rogers, Vice President of the Standard Oil, found himself obliged to pay as high as eight percent, in order to secure the twenty millions necessary to finance the Virginia Railroad he was at that time building; he was even forced to endorse the notes personally. Consternation was shown when this transaction became known, revealing as it did the unforeseen weakness of the money-market.

As if in response to the nervousness in America, evidences of collapse began to show themselves in other countries. Egypt was the first to feel the strain, then Japan, then Hamburg. Even more serious crises occurred in Chile, in Holland and in Denmark. In New

York, however, the storm, which had broken out in March, had been stayed by the immediate shipment of foreign gold and the prompt action of the Treasury. A number of brokerage houses failed; the mining-boom collapsed and speculators were hit in every field; but Wall Street still believed in the soundness of the country and in the prosperity of industry.

There was noticeable a feeling of relief: financial surgeons appeared to think that blood-letting had relieved the patient. Everybody went about saying that a panic like those of '73 and '93 could never occur again; just as they said about War in July, 1914. The time since the last disturbance seemed too short—being barely six years—for another cycle to begin. Human nature and economic law delight in their mockery of the statistician.

May and June passed with a tone more encouraging, but by July disquietude among the informed became very manifest. All business men know that the season of heat and holiday furnishes the most favorable nutriment for the bacteria of panic and this summer of 1907 was also marked by a series of significant and noteworthy events. The railroads reported loss of earnings and the United States Steel Company showed a slackening in its orders. Money grew tight and the crop-moving period was yet to come. A large shipping combination organized by Charles W. Morse suddenly collapsed; and an eight million dollar iron manufacturing house went

down. What was even more significant was the failure of the two New York City loans to find a market for their bonds offered during midsummer.

August, a month of misfortune, whose heavy heat and sultriness ever tries men's nerves and warps their judgment, passed in great and growing uneasiness. In September the New York Street Railway combination went into the receiver's hands, followed by the huge Westinghouse Electric Company. But Wall Street refused to take these events too seriously. Optimists could still point to large crops and busy mills and exclaim that the period of prosperity was not yet ended. The Masters of Capital gave cheery special interviews to the newspapers and talked encouragingly to everyone.

Plainly, the strongest efforts were being made to restore confidence and to avoid a crisis. Both historians of the period comment on the helplessness in such a storm of the very men to whom their fellows looked as all-powerful. As a matter-of-fact they were all of them deeply involved in new and costly enterprises. Harriman was extending his railroad purchases at top prices: Hill, with Morgan's backing, was spending vast sums on improvements.

A group of highly speculative financiers, such as Morse, Heintze and Barney, were operating on all sorts of new ventures, mostly mining and shipping, into which they were pouring the funds under their control in the Mercantile National Bank and the Knickerbocker

Trust Company. Conservative business-men and bankers of James Stillman's type had watched with uneasiness and disapproval the development of a new and dangerous form of speculative banking.

This was known as chain-banking and was the invention of a certain financier whose ability was combined with an audacity which often goes by another name. It was a simple and beautiful scheme to use the stock of one enterprise as collateral on which to borrow money for the purchase of another. Following this plan, this financier had gained control of half-a-dozen small banking institutions, using the stock of each one as the means of acquiring control of the next and repeating the process until "a chain of banks" was in his possession, whose capital he utilized without hesitation in schemes of his own.

These ventures were many and various, the largest being a consolidation of shipping on the Atlantic Coast. Its collapse during the summer of 1907 caused alarm among his group and the gambling public. The failure was sufficient to strain the credit of the banking institutions operated on so unsound a basis, but meanwhile to make matters worse, their strength had been secretly impaired by his followers and friends. The chief of these had engaged in promoting a copper company with the aid of one of the largest banks of the group. It was at this link that the chain broke.

Uneasiness regarding the copper situation and espe-

cially the speculations of Mr. Heintze, had been noticeable all through the early fall, and on Wednesday, October sixteenth, the Mercantile National applied for assistance to the other banks of the Clearing House. The deposits of this institution stood at eleven millions and a half, a sum in itself sufficiently heavy to cause apprehension among the financial community. However, the Clearing House Committee announced that the crippled bank would be given aid, although the first condition of help was the resignation of its entire Board of Directors.

A pause of relief followed on Thursday, but anxiety was renewed when it became known that the necessary investigation by the Clearing House had revealed the true cause of the bank's failure to be an unscrupulous use of its capital in copper share gambling. Five days of extreme tension followed. Everywhere bankers set to work to overhaul their accounts and to examine into their relations with other institutions. During this same period the Clearing House pursued a rigid enquiry into the Morse-Heintze activities and their banking affiliations. The more closely these were looked into, the more alarming was the state of affairs disclosed; it became evident that the rottenness was not confined to the Mercantile National, but extended to an even larger institution of the chain, the Knickerbocker Trust Company. Charles T. Barney, the President of the latter house, was intimately connected with many of Morse's most specu-

lative projects and was one of his close personal friends. Loans made by Barney to the Morse ventures—chiefly to the Knickerbocker Ice Company—had been advanced by him personally out of the funds placed in his keeping. Most of these transactions were unknown to the Executive Committee of the Trust Company; in many instances they were unknown to any other of the President's colleagues.

When this disclosure was made, Mr. Barney's resignation was at once demanded. This came at the week-end, when a few hours' reprieve might be expected and immediately the Directors elected Mr. A. Foster Higgins in his place, trusting that the promptitude of the move might induce a more tolerant atmosphere. Monday morning seemed to bring with it some assurance of this, the Directors breathed more freely, in the hope that the danger, if not over, was lessened.

This was premature; from Monday the drama moved forward with a relentless swiftness and force. . . .

On the afternoon of Monday, October twenty-first, the Executive Committee of the Knickerbocker Trust Company headed by its new President gathered to consider how the situation must be met. On the whole they felt their condition to be more hopeful. The tone of the meeting, however anxious, was yet that of men who thought that they had been through the worst, who could not believe that so important an institution as their's would be permitted to shut its doors. The

Knickerbocker Trust Company had seventeen thousand depositors and deposit liabilities aggregating thirty-five millions: its failure was bound to precipitate a panic, for which the surrounding atmosphere was only too well prepared.

As the afternoon closed in and the Directors drew confidence from contact with one another, this hope strengthened. They had almost talked themselves into the belief that the storm could be weathered, when—as how often in such dramas! the telephone rang. Suddenly and without warning, word was brought that the National Bank of Commerce refused to accept for collection any checks of the Knickerbocker. Here was a paralyzing blow. The Committee hurriedly left the building, after having arranged for a meeting of Directors to be held at Sherry's that evening.

Chapter Fifteen

THE PANIC OF 1907

THE choice which fell on Sherry's as a place to hold this fateful meeting was doubtless the result of mere distraction or arose by reason of its central and convenient position for those concerned. As it turned out this choice precipitated and heightened the crisis, while it provided an extraordinary setting for the drama that was to follow. Galsworthy, among the moderns, might perhaps be credited with that night's scene, which has come down to us as lacking no element of dramatic contrast. A fashionable restaurant on an autumn evening, filled with leisurely groups, laughing and talking, hearing beyond their laughter the familiar sound of the crowd that ceaselessly streams by along the glittering streets. By and by some rumor drifted in, as to what was going on behind closed doors. Imagine the words passing from one to another, without equal significance to all, but to all intensely interesting,—that rumor, ignored by the puzzled, smiling women, yet laying a heavy shadow over the faces of the men! And all the while, moving from table to table, the maitre d'hotel, pontifical, and "in the know," the waiters, alive to every

whiff of gossip as it was wafted into the corridors, those murmured words "the Knickerbocker"—"difficulties"—"looks very bad"—the growing uneasiness that followed them—the sickening apprehension—.

Meanwhile behind those doors, Ruin stalked about and grinned. Ten millions of cash lay in the Knickerbocker vaults, but what were ten millions in the event of a run? Men got to their feet, argued, protested, recriminated, sat down again. Justice Gerard strongly advised closing the doors before morning; others were unwilling. It was learned that two Morgan partners were present in the room; they were appealed to and seemed disposed to help, but their Chief had not as yet expressed himself and the form which this aid was to take remained undetermined. The gutting had been so complete that there was no structure left to build on—every man hesitated to assume so appalling a responsibility.

Hours passed. Excitement grew, order and restraint slackened; doors were no longer guarded. People slipped in from the supper-room; outsiders shouted their unheeded advice, or mounted on chairs to look and to join in. No leadership, no calm, no hope . . . nothing but the confusion and the bedlam of defeat. Outside, there fell upon the street the sinister emptiness of midnight, windy and chill, while the noise of traffic began to be spaced with silences during which each tired mind could hear the pounding of his own thoughts.

Some man in the fringes of the crowd bethought him of a check-book in his pocket and of the Night and Day Bank not far away on the Avenue. He slipped out into the street. His fingers were a little cold as he drew his check, but warmed as he turned toward home with his money safe under his coat. Another man entered the bank as the first went out, then another followed and yet another. It was the *sauve qui peut.*

Long before nine o'clock next morning, a line stretched from the doors of the Knickerbocker Trust Company, at Thirty-Fourth Street and Fifth Avenue, for more than a block, a panic-stricken queue. The first man in it was a messenger from the Night and Day Bank with a thick bundle of checks, while every few minutes more would be brought to him. These checks were for killing sums. One of them was for a million, in favor of the Trust Company of North America, "a matter," says Mr. Hovey, in his "Life Story of J. P. Morgan," "of life and death with the latter company whose own offices were soon to be filled with a mob demanding their deposits." By this time news of the storm had spread. Morgan, who had said nothing, but had kept in touch, came to town at once, to the house of his son-in-law, and early that morning two Directors of the Knickerbocker Trust Company and its new President called on him and asked for help. His refusal was emphatic. "I can't go on being everybody's goat," he is reported to have said, "I've got to stop somewhere."

At his office, he sat all day with his hat on the back of his head and smoked a big, black cigar.

Events moved on inexorably. Panic spread. Sucked dry of cash, the Knickerbocker closed its doors before noon; by the following morning nearly every trust company in New York faced a long line of terrified depositors. Certain of these trust companies, anticipating trouble, had sought aid overnight from the banks; the knowledge of this fact, which was contained in the morning-paper, brought out-of-town clients in hundreds to swell the mob. The National Bank of America went down. The runs on the Trust Company of America and the Lincoln Trust Company starting on this day, lasted for two weeks "and were such as have probably" says Mr. Noyes "never been witnessed in the history of banking." Terror, sweeping over the entire country brought disaster everywhere to the smaller banking houses and trust companies. Mr. Morgan's refusal to help the Knickerbocker brought the responsibilities of the moment gravely before the minds of the other masters of capital. Panic on the Stock Exchange was seen to be inevitable; the question was to what extent might it be stemmed? The Morse-Heintze banks could not be saved; they stood in a row like a child's bricks; but the situation now threatened to go far beyond them and to become a general crash.

This was the state of affairs on the twenty-second. On the twenty-third, while Wall Street was filled with

a mob besieging the Trust Company of America, Frick walked into Morgan's office and received a casual greeting. He remained about ten minutes. Shortly afterwards a frail-looking man with eye-glasses, was announced, and E. H. Harriman too made his offer of help and went away. These men were waiting for Morgan to take the lead, but Morgan was waiting for one other. By and by, James Stillman came out of the City Bank and walked the intervening half-a-block, while responsibility walked heavily beside him. When he entered, the big man took him into an inner room. What he brought was the news of ten millions of Standard Oil money to be loaned to the banks without interest; he brought also his cool wisdom and quick resource which were equal to Morgan's own. In that twenty minutes talk, these two men together decided what was to be done and how to do it.

Meanwhile, it is necessary to go back for a few days. On or just before October ninth, when conditions were just beginning to be seen in all their gravity, the Bank of France had been approached by a group of bankers for a loan of a hundred million francs. The French law, however, did not permit the Bank to lend to any institution but a State bank, and the money was therefore offered to the Treasury at Washington, where it was declined. As the Bank of France was known to have made a loan shortly before to the Bank of England, the most unfavorable comments were aroused in the press by its

failure to respond to the request of the United States. An agent of the Bank of France was dispatched across the Atlantic to see what could be done—a man chosen because of his familiarity both with finance and American affairs and one who was an intimate, personal friend of both Harriman and Stillman.

This agent landed on Saturday, the 19th of October, the day when the Knickerbocker Trust Company was first known to be in difficulties and went at once to James Stillman's house, where that banker and Harriman awaited him. Both the Americans felt that the loan from the Bank of France was even more important today than it had been ten days ago; but both were more than doubtful as to the attitude of the Administration. Mr. Roosevelt's hostility to Harriman made it impossible to approach him directly, yet an effort might be made through this outside source. An appointment with the President was arranged by Ambassador Jusserand, at the official request of the French Minister of Finances, and Sunday morning found the emissary in Washington.

As he had already made the acquaintance of the President, he knew that vigorous and picturesque personality who met him with the utmost cordiality. Mr. Roosevelt at once launched into breezy and animated talk, and gaily discoursed for some forty minutes on the history and future of Poland! Finally, the visitor himself was forced into introducing the matter on which he had come.

"You see, Mr. President, this situation in Wall Street, these runs—! Cannot something be arranged about this French loan? Will you consent to it and urge it upon the treasury?"

At the mention of Wall Street, the President yawned and for twenty minutes more outlined his pet scheme of a Government Banking Reserve to be operated through the Post-Office. He offered to call up Mr. Meyer, the Postmaster-General, on the telephone.

"Admirable," agreed the visitor, "for the future—but this, Mr. President, is a crisis. Cash is needed at once by such large establishments as Morgan's and the City Bank to relieve the situation—!"

"I am not interested," Mr. Roosevelt replied, "in your wealthy friends."

Events however had a convincing power all their own and by Tuesday neither the Administration nor the Treasury could ignore the storm in Wall Street. Mr. Cortelyou hurried to New York: arrangements were made with him that thirty millions of Government surplus should be at once deposited with the National Banks, to be doled out to the threatened Trust Companies. At the same time the banks were enabled to borrow from private investors and from the Savings Funds large amounts of government bonds.

Naturally, these vital measures could not be concluded on one day; Thursday, the twenty-fourth, therefore, was a day of panic on the Stock Exchange. This

was so violent that had the fall in values continued at the same rate, the entire community must have been rendered insolvent. Through the personal influence of Morgan and the President of the Stock Exchange, many millions were released by the banks to meet the hourly crisis; while ere the day was over, the City Bank was able to report that eight millions in gold had been secured in London for immediate shipment. To obtain this, Morgan and Stillman had made up bills of exchange chiefly on the cotton-market, which were placed as security for the foreign gold. Added to this, liberal extension of credit was afforded the national banks throughout the country.

Definite as were these measures of relief, yet the announcement, at the very height of the panic, that the United States Steel had been able to purchase control of one of its most formidable competitors, The Tennessee Coal and Iron Company, had even more to do with bringing sanity and calm again. The large brokerage firm of Moore and Schley, which had pledged over six millions of Tennessee Coal and Iron among the banks and was hourly expected to break, was saved, for the reason that the banks would accept the United States Steel as collateral, where they would not accept that of the more speculative companies. With the saving of Moore and Schley the acute aspects of the crisis passed; although the various expedients of Government for relief were obliged to continue for some weeks, on ac-

count of a banking situation which presented all the phenomena that the public had been assured could never occur again.

A panic like that of 1907 wears many of the aspects of a battle and like a battle has its wounded and dead. When the week drew to a close, nine banking institutions in Greater New York had closed their doors besides those elsewhere, and men had died from excitement, or from terror or by their own hand. While the Stock Exchange collapse was past the worst in a few days, the captains were by no means relieved of strain, for the banking crisis lasted well into November. Runs on various trust companies in all parts of the country continued for weeks: the cash thus withdrawn was immediately hoarded by the owners; it is estimated that no less a sum than two hundred and ninety-six millions actually disappeared from sight.

Distrust, which causes such action, can only be overcome by time and support must be given the banks during that time, in order to avoid what threatened universal insolvency. It was only the strong and the public-spirited who could undertake so gigantic a task, and men who had worked solely for their own interests and their own wealth hitherto did not hesitate to jeopardize these in their efforts to restore confidence. The cynic may observe that some of them merely sought to remedy the evils they had brought about; but this characteristic

is not peculiar to financiers, it remains one of the most touching naivetés of the human race.

During the whole of this period of strain, there rested upon the shoulders of these two men, Morgan and Stillman, the stabilization of their world. Measures of relief must be determined by Governments; means and methods were left to them. Each day and late into each night these two worked to restore confidence, to provide aid where most needed, to bind up the shattered elements of broken institutions. To the power of their names and to the strength of their integrity, the panic-stricken clung when all else failed. James Stillman's term as Chairman of the Clearing House Committee for 1907 was technically over, but his successor was James Woodward, and the two labored together. Weeks passed before the banking situation could feel itself secure. In order to bring to an end the runs on the Lincoln Trust and Trust Company of America, an announcement was made on November 6th that a Committee of the older Trust Companies had been organized and would assume responsibility for these hard-pressed institutions.

Up to this point Stillman had worked in complete harmony with the elder banker, deferring to him as was his custom and fully appreciating that the two great financial groups represented by himself and Morgan should move in this crisis as one. On the question immediately before them of supporting the weaker Trust Companies, they were, however, to meet in definite dif-

ference of opinion. Now to differ with Morgan and carry one's point had been achieved by few. That James Stillman succeeded was one of his triumphs, and one which remained unknown.

For some hours he had been aware that Morgan did not wish, nay more, did not intend, to save the smaller Trust Companies. Protests all along the line had been made that the money placed in Morgan's hands was being withheld, that, especially in the case of the Trust Company of America, the hoped-for relief was not forthcoming. When its President, Mr. Oakleigh Thorne, protested, he was coldly and bluntly received. James Stillman knew very well that this attitude was the outcome of a definite conviction, for Morgan was ever an honest believer in the doctrine of survival of the fittest. These companies were an excrescence on the financial world. They had long been uneasily regarded by bankers, as having in many cases usurped the power of the banks without their safeguards; for they were not members of the Clearing House and so were not required by law, as were the banks, to protect their deposits with an adequate cash reserve. In number they had greatly increased during the epoch of prosperity and the banks looked with growing disfavor upon these free-booters, who were able to pay interest on deposits at a rate which the more legally-guarded institutions could not afford. Here was an opportunity to wipe them out and Morgan's interests, private or public, were

in no way subserved by insisting on their preservation. Both his judgment and temperament preferred to see them go.

Why James Stillman disagreed he never stated in so many words; but his character is an indication—by judgment and temperament he was a conserver. Matters were going to be difficult for months; the number of failures mounted daily, permit a still larger number and what might not happen? Mr. Morgan was willing to take the risk of the operation: the City Bank President felt on the other hand, that it was likely to be too severe for the strength of the patient. Moreover, he was always the longer-sighted of the two. He saw that the ruin and suffering which was heavy now, might, if unchecked, extend into every town in the Union. . . . The prospect appalled his banker's instinct. And he saw something else beyond. These small broken companies would fall readily into strong hands and thus ultimately another nucleus of financial power might be formed—perhaps by Morgan, or his friends, perhaps by another, who could say? Every instinct went against that also.

The stage of these conferences was Morgan's library, where a series of night meetings took place during the panic week. Strange scene for such a battle! Here, surrounded by distinguished and beautiful objects of art and looked down upon by the serene minds of the

past, that tired, concentrated group of men met to satisfy pressing needs and to discuss intricate problems.

It was not the custom of the master of the Library to be present during the general plans which preceded actual decisions. In a small, adjoining room, he sat with his cigar, the patience-cards spread before him, if a picture caught his eye that hung a thought askew, he rose to straighten it. When the time came to lay results before him, he would stroll in, tall, heavy, powerful and standing on the hearth-rug, state his will. . . . Sometimes a sheet of paper would be handed him, on which each man present had set down either his resources or his needs. Glancing at this, he was likely to tear it up and go back to his patience-cards without a word. All then, was to do over again. At an earlier one of these meetings the purchase of the Tennessee Coal and Iron Company had been agreed on, which meant as we have seen, the virtual ending of the panic at its worst. It was late when the question of the Trust Companies came up. Morgan was perfectly frank about them.

"Why should I get into this?" he asked. "My affairs are all in order. I've done enough. I won't take all this on unless"—he ended, with a gesture which the others perfectly understood to mean, "*unless I get what I want out of it.*"

Frick, it seems, upheld him. Some of the others had their doubts and gave their reasons. One man said, "to

let them go will be like starting another prairie-fire. Nobody can tell where it's going to stop."

The President of the Bankers' Association next appealed to observed: "our currency system won't stand it."

Morgan shrugged that objection aside and turned to his partner, Charles Steele.

"Well, what do *you* think?"

Steele made a non-committal reply and waited—as they all did—for the next question and answer.

"And you, Stillman?"

The man addressed had sat there for hours without joining in the talk and while smoking, observing, reflecting, his mind turned to this new amusement for the populace—investigation. Public appetite, whetted by railroad revelations and insurance scandal, was greedy for more piquant morsels. Such a performance as Morgan contemplated might prove difficult of explanation to inquisitive Senators from the witness-stand. Yet, if Morgan did not use his power then and there to prevent a general holocaust of the weaker institutions, no man could prevent it.

They say there was a long pause before James Stillman spoke; a heavy pause in which the room seemed to fill with thought. When he began, his words had all the intensity of his nature, added to the force of his intellectual conviction. At that moment he saw very far. Not only must he overbear the great power against him

but he must convince them all. True, some of these men agreed with him, yet he was under no illusions as to their support. If Morgan held out, not only his partners Davison and Steele, but all present, would flock to his side—they must.

On the other hand, Stillman held an important strategic position. Of the whole group, he was the one who possessed at that moment immense reserves of actual gold, and everyone in the room knew that only gold talked. Even Morgan that night had not the cash resources which were held by the President of the City Bank. During all those hours, he had said nothing about what he was going to do. . . . What was he going to do? Those men heard him and realized that battle was joined between the two constructive forces of their world.

It was a struggle. Perhaps for the most important hours of his life James Stillman was the rallying-point for it was not his desire to overcome Morgan, but rather to carry him along so that they could continue to work together. Above all, he must prevent his antagonist from taking up a definite position from which pride might not allow him to retreat. That would have been fatal.

The contest lasted till dawn. Frick stayed on and one or two others; certain men came and went. These merely waited, waited in anxiety, hardly knowing for what. They heard Morgan's deep and rumbling voice, answered by that lighter one. Some of them still re-

member a mind supple and strong, clear and persuasive, quieting undue heat, guiding impulse softly till it fell into line with reason, adroit, vigilant, incredibly tactful, incredibly patient.

When James Stillman went home, (probably to a day of headache and blackened toast and tea,) he had carried every point and, in the old phrase, virtue had gone out of him.

Chapter Sixteen

THE END OF AN ERA

ALTHOUGH the acute stage of the 1907 panic seemed to vanish rather quickly, considering its violence, yet, its after effects were slow to disappear. As a matter of fact it marked the end of an era. That tidal wave of speculation, which had crashed over in a destructive flood, receded at length, leaving a changed world both for the public and for the financial captains. To the former, the romance of fortunes acquired overnight had lessened for the moment and was not to be renewed, on anything like the same scale, until after the Great War. To the masters of capital themselves, it was indicated that their period of individual leadership was drawing to a close. They were getting elderly. Mr. William Rockefeller was dead; his famous brother had not yet grown to look like a drawing by Leonardo. Carnegie's heart was in the Highlands, whence he distributed libraries and aphorisms of virtue; J. D. Rockefeller was taking up golf and enjoying the retirement of a country-house with seventy-two telephone trunk lines entering it. Harriman's tremendous plans were beginning to be affected by frequent bouts of illness. Frick was collecting pictures, Schiff practising philanthropy.

Moreover, the impending investigations, whose edge the panic had tended to sharpen, were decidedly affecting the spirit of rivalry and competition existent between the great banking groups. These last ten years had proved, had they proved anything, that rivalry was apt sooner or later to destroy the thing struggled for and that when a crisis came men were stronger together than apart. From this time onward there was a merging of interests all along the line. The separate, great money powers had become one vast money power, which presented an harmonious and united front in 1913, to the Committee on the Concentration of Control of Money and Credit.

James Stillman had always seen the economic waste of contention and it is plain that much as he admired his friend, Harriman, he viewed the latter's gigantic plans for 1908 with something approaching misgiving. That they were on the best of terms a telegram and letter of that summer remain to show.

Telegram

"Pelican Lodge,
August 11, 1908.

James Stillman,
National City Bank, N. Y.

When are you coming up here? The boys are off shooting bear.

E. H. Harriman."

The sentence in the following letter, regarding unemployed money is quaintly characteristic, for Harriman never left his money unemployed, but like Stevenson's Jim Pinkerton, kept his dollars "simultaneously flying, like a conjurer with oranges."

"October 23, 1908, Arden, Orange Co., N. Y.
Dear Stillman:

I haven't had anything very interesting to say to you and have delayed writing because of the active work going on and then the lazy days here in which I do nothing but loaf. Don't even think or try not to. Everything must be practically as you left them (sic). Perhaps more certain of Taft's election which has never been in doubt. It looks now like New York State ticket would be Republican except with possible election of Democratic Governor. When election is over everything will continue just as it is now with a little more sentimental activity. The greatest menace from which we need protection is the plethora of money the world over. Unemployed money is an instrument of mischief greater perhaps than unemployed labor. You should look to it that your bank doesn't get drawn into syndicates for new construction which will be destructive in a measure of the properties in which the bank itself or its proprietors may be interested. Temptation in such times is great for taking up new enterprises which may not be of much importance but they are pin-pricks and annoying. I was glad to get a glimpse of your doings and rumors of Lord Mountstephen's continued good will; he is exceptionally endowed with fair-mindedness and common-sense. Most other foreigners only look to the dividends paid without knowing anything of the difficulties or giving them a thought. We were sorry not to

have you with us at Pelican Lodge or camp and more so because of your hay fever attack. The outing was enjoyable to everyone of the family and visitors. We had many of the latter—Railroad men and politicians; some of the children's friends—Roland shot and killed a big black bear and wounded another which got away. Averell hadn't as good luck, but got a good tiny buck—they had about three weeks in rough camp at head of Rogue river on top of Cascade mountains. The feeling or sentiment in the West has changed absolutely. The communities should not do enough for us and all are willing that we should have charge of all the Railroads in sight, whether competing or not so long as we had them and for improvements, etc. I saw Twombly for a few minutes the other day and he gave me a glimpse of your doings in Paris. The children are away at school or visiting, but we expect Cornelia here tomorrow for a visit. Mrs. Harriman sends, with me, greetings to you.*****

Yours,

E. H. HARRIMAN."

In the summer of the same year, a communication from the Japanese Consul in New York shows the bestowal of an order on Mr. Stillman, who was at that time in Europe. This was probably in recognition of his assistance in floating a Japanese War Loan through the City Bank.

"June 6, 1908.

Consulate General of Japan,
60 Wall Street, New York City.
Mr. James Stillman,
52 Wall Street, New York City.
Sir:

Acting under the instructions of his Excellency, Count Tadasu Hayashi, His Imperial Majesty's Minister for Foreign Affairs, I have the honor to forward hereby to you the diploma of the Third Class of the Distinguished Order of the Rising Sun, the insignia of which has been conferred on you some time ago.*****I avail myself of this occasion to renew to you the assurance of my highest consideration.

(Signature of Japanese Consul.)"

Mr. Moody thinks that Harriman proposed "to form a banking power greater even than the National City Bank" and was working for "a railroad empire over the whole world." That he discussed those plans with Stillman we believe, even though we know also that Stillman had already urged him to retire, as Stillman himself was expecting to do. A crisis in regard to the Erie Railroad, however, which occurred in the Spring of 1908, concerned them both and was one of the last in which their names are associated. Mr. Kennan gives the incident a chapter in his book as the last of Harriman's public services, coming as it did at a moment when the business world everywhere was still unsettled and apprehensive after the storm.

Normal conditions and confidence were beginning to

return, when in April 1908, the Erie Railroad was menaced with a sudden inability to meet its obligations. "For several years," Mr. Kennan tells us, "it had been satisfying its most urgent financial needs by issuing short term notes.". . . These notes amounting to five million five hundred thousand would mature April eighth and it had been expected that Morgan and Company would take them up. The rivalry between Harriman and Morgan, however, had never entirely ceased and at this particular time the elder banker viewed with decided objections the railroad man's evident plans to extend his railroad empire and increase his banking power.

Mr. Morgan, therefore, issued his fiat. His firm would not take up the notes and at the same time assume the risk of a new issue, formed to protect and cover them. When James Stillman was told of this, and that the great man had sailed for Europe, he made the observation in his sardonic way that "Achilles was sulking in his tent" . . . and the question was what to do next?

A receivership for the Erie appeared unavoidable and a conference was held on the night of April seventh, at which Mr. Harriman and other directors of the road met Mr. F. L. Stetson, counsel for Morgan and Company.

While the discussion as to ways and means was proceeding, Mr. Harriman sat quietly in front of the fire smoking and talking with a friend. He said that if the matter did not go through, he was disposed to take up

the notes himself, pledging his entire private fortune to do so. It was true, as his friend pointed out, that he had no responsibility for the Erie; that merely being a director did not make it necessary for him to take so great a risk—but Harriman felt the general financial situation was still very uneasy and the blow which would be received from the bankruptcy of the Erie was quite sufficient to precipitate the panic conditions once more.

To the surprise of the others present, he tended an offer to take up the notes himself, asking that the receivership be delayed until three o'clock the next day, in order that he might have time to borrow the money, which the bankers present at that moment refused to loan.

The conference broke up at two o'clock in the morning. When Harriman called his legal counsel on the telephone next day, he was ill with one of his severe attacks of pain and physically unable to get out of bed. He had spent that night fighting the disease and thinking out his plans. He sent his counsel and his private secretary together downtown to open his strong box and take the necessary securities to the City Bank as collateral for the loan of five millions. Now, the law did not permit a bank to lend so huge a sum to any one individual so it was arranged that Harriman's agents should see other bankers as well. This took valuable time. One or two of these men, when seen, promised a partial co-operation, but when Harriman's representa-

tive returned to the City Bank with these assurances, they were found to be unnecessary. Word had been received from James Stillman, then in Europe, which assured them of his immediate and adequate personal backing.

James Stillman's reason for this prompt act of loyalty did him honor and sprang from the same motives which had caused Harriman to take up the Erie notes. When asked by a member of his family, he replied that so many well-known names were on the Erie Board of Directors that he felt the credit of the road would be injured were it allowed to default. This would especially affect the attitude of Europe, still suspicious of American investments. "If the Erie defaults no American bonds can be sold in Europe," he said. His sense of responsibility, therefore, would not permit of any default he could prevent and he approved of Harriman's feeling in the matter. The financial journals of the day warmly praised the railroad man for his act. Of his friend's they knew nothing.

The year 1909 was largely spent by James Stillman in Europe and the first sequence of his letters which remain date from this journey. Much of the time he spent at the house in the Rue Rembrandt which he afterwards bought and which came to suit his mood so well. That mood was beginning now in his fifties to move away from Wall Street. Things had changed; were changing still more. There were these confounded investigations

which were especially repugnant to a diffident person, who loathed notoriety in any form; and there was the disposition of the public to poke itself into one's private affairs, to bother one with reporters and letters. This had always been the American tendency, of course—but nowadays the public demanded this interference as a right. The only way to rid oneself of the nuisance was to go away and settle down in a country where the right to individual privacy was better understood. The letters echo this feeling.

"I am feeling better," he writes his sister on March fourteenth, "but was very, very tired and worried for some weeks after my arrival here. . . . My house is very attractive and the neighborhood so quiet, it is almost like being in the country and is an ideal place for me to rest. I have not much disposition to leave it for a motor trip."

In October, he says again: "While I miss you all very much, life is so easy and restfully interesting here and such freedom from petty annoyances, I will probably stay on sometime longer—especially as the completion of the new bank-building will be delayed some six months more than was anticipated."

A month later finds him at Cannes after a motor-trip from Paris to Toulouse, Carcassonne, Nimes and Arles, and during which he enjoyed the roses in bloom, the trees and shrubs, with his usual keenness. "It's not

home, however," he ends a little wistfully, "and I will be very glad to see you all again."

There were weeks when he was joined by his mother and sisters and visited occasionally by children and friends. A daughter who was not well, decided to come over and the following letter shows how this incident affected her father's plans. His tenderness on these occasions was as deep and marked as was his inability to express it by the usual demonstrations.

"19 Rue Rembrandt. December 11, 1908.

My dear Mother:

Your letters are very welcome. The last was of November twenty-ninth, acknowledging mine from Cannes. Since then I have been up to Liverpool to meet Elsie and now she is comfortably located here.

She is not at all well and unless it should become quite necessary for me to return home I am going to remain with her until she does. I think it is a comfort to her to have me near. I want to get her away from the dull, damp winter climate of Paris to where she will have sunlight and be out of doors more.

She wishes to hear Mass celebrated in Rome Christmas Eve so we will probably spend Christmas there, and then go to the Riviera (probably Cannes) which I trust will do her much good. It was very nice of Dr. Abbott to allude in the Outlook in such an appreciative way of the help I rendered in the early days of his paper. Please tell him so from me when you see him.*****

Such attacks, however, affect me but little and I think people generally are not only tired of them but they have

James Stillman in the later years of his life, when his home was abroad

ceased to attract serious attention. Almost everyone who does things and accomplishes something is the object of attack from those who have not. At all events I have been preparing for the past two years to assume an advisory position at the Bank and decline re-election as its official head. I know this is wise and it not only relieves me of the responsibility of details, but gives my associates an opportunity to make names for themselves. They will have all the benefits of my advice and experience, for my pride and interest in the Bank will never be any less and probably greater than in the past. This makes them very appreciative and loyal to me and the Bank and that is of great value to it. The completion of the new building is a fitting time for this step and I feel we have erected a superb monument and laid the foundation for limitless possibilities, greater even for the future than what has been accomplished in the past. Sometime you must get Jamie to show you the bank room. I have spent a great deal of time in the interior of the pantheon at Rome thinking of how to reproduce its dignity and grandeur as nearly as possible and I believe the attempt has been very successful. Of course it is one of the great disappointments of my life not to be present when we move into the new building and I had expected to return for it. No one will ever know what I have done for the Bank and my children, but they have always come first—I wonder if they realize it? Probably they will as they do for their's. This is most likely my Christmas letter, so I wish you all a Merry Christmas and a very Happy New Year.

Your affectionate son,

JAMES STILLMAN."

This letter is also important as alluding in a definite way for the first time to the project of retirement, which he had had in mind for more than a year. His old friend, Jacob Schiff, in a note which belongs to this chapter, though dated earlier in the year, shows how strongly he also felt that the time had come for rest. Incidentally, it shows also with what constancy James Stillman remembered those little kindnesses which busy men so often forget.

"R. M. S. Caronia, January 11, 1908.
Off Madeira.

Dear Mr. Stillman:

We have made port in Madeira this afternoon and I take the first opportunity to send my sincerest thanks for your very thoughtful attention. I have never before tasted 'wireless' apples, but these are a great success. I wonder however, how you should have known of my birthday? I thought I could skip a year in mid-ocean and only get a year older on my next anniversary but my friends apparently won't let me. I hope you have been able to get off today by the Lusitania and that by the time we reach Cairo on the twenty-first, I shall get a telegram from you at the Savoy Hotel that you are going to join us in Egypt. We have had a pleasant journey thus far, but I only now know when I begin at last to feel how tired in mind and body I had become, and I think I acted wisely in taking this vacation.

* * * * * * *

* * * * * * *

If he (*Harriman*) carries this through in the proper manner and spirit, it will be better for him and for all of us. Looking forward to the pleasure of meeting you soon and again thanking you,

Sincerely yours,

JACOB H. SCHIFF."

The Bank building to which reference is made in the foregoing letters was now being remodelled for some actual work was only just begun. Owing to the President's grandiose conception—for his Bank a palace was none too good—and his personal care of details, the effect is more individual than is customary in such buildings.

As it stands, with its double row of columns, at Wall and William Streets, the buildings give all that impression of massiveness and magnificence which was James Stillman's ideal.

Inside, vastness has been the aim, vastness and calm, soft lights in a superb ceiling, dignity of background to the subdued passing of busy feet. It is all very tremendous and is meant to be . . . a monument and a splendid one. One tries to think of the quiet, dominant presence, and wonders if he ever felt so much at home there as in the older-fashioned quarters across the street. Did it express perhaps, his sense of aloofness, dignity and power?

In that imposing Director's room, with its panelling

and green velvet, the fever charts of its activities hanging on the wall, there is what looks to be the longest table in the world. The treaty after the World War might have been signed at that table, to which a tired man returned to sit as king, though only for a little while. Now his portrait, with the saturnine look rather emphasized, gazes coldly down on his successors.

All this, of course, was a mere gesture of success. No panic or business depression had ever retarded the City Bank. Even during the period of shrinkage during the winter of 1907-1908 its deposits increased by a third. James Stillman had never swerved from Moses Taylor's policy of an enormous reserve; he insisted, despite the protests of other bankers, in maintaining a gold reserve of forty percent. He wished an impregnable fortress of money and he built it. The City Bank operated in 1911 three lines of reserves . . . a front line of sixty millions in cash; a second line of seventy-five millions of call loans, and a third line of thirty-five millions in bonds.

When one enters the main banking room, the first thing one sees is an object like a square white sarcophagus, rising in the midst, which is the vault. This is not hidden away as in other banks; it is there in sight—a challenge and a shrine, like the black stone of Mecca. It is elaborately protected, however, and if necessary can be veiled in jets of live steam.

All around it are the bronze cages of its votaries.

There is every possible equipment for handling and safeguarding business . . . a cable and telegraph office, a library, kitchen and dining-room, where luncheon is served to one hundred and fifty employees at a sitting, two bedrooms, in case emergency requires the night attendance of some official and in the basement a big Club Room. The plant runs night and day. When after midnight the mail is sorted, it usually contains from fifteen to twenty thousand checks which must be ready for the Clearing House next morning. An institution so huge acts as a veritable stabilizer of money and since its own deposits may vary as much as fifteen millions a day, it must be always prepared.

The system for handling call loans has been so perfected that some years ago it was estimated to take but fifteen minutes for calling twenty-five millions by the messengers of the Banks.

We have been quoting from a description dated 1911, but there is no reason to suppose any less power or efficiency today. Under the last years of James Stillman's Presidency, the foreign relations had especially grown and were established with France, Germany, the East. The bank had a large account with the Credit Lyonnais and was the holder of the Papal deposits. Subsidiary banks were constantly being acquired.

The merchant principle still prevailed in James Stillman's mind, for the City Bank buys and sells money and credit exactly as if these were cotton, sugar or coal and

thus it had become the custodian of the greatest central body of money and assets in the country. Through and by means of his Bank, James Stillman fully expressed his belief that "the greatest possible service to mankind, rich or poor, was the establishing of sound financial institutions as the foundations of business."

Chapter Seventeen

"INCIPIT VITA NOVA"

ALL these monuments and landmarks, physical and spiritual, pointed to retirement. And he was tired. He'd had forty years on Wall Street, the last ten of them heavy with burdens, exhausting from strain. He was over fifty and he was tired.

When the writer of this history asked James Stillman's friends regarding his retirement, the answers were all on the same note.

"He'd worked tremendously hard and almost forgotten how to play."

"It was business all the time and physically he had begun to feel it. His children were grown and when he came back it was to an empty house."

"His power was too heavy to bear."

"Everybody he saw wanted something."

This last sentence probably expresses the most significant of all the influences at work on James Stillman's mind. He was the spokesman of vast interests and the wielder of vast forces. "He was one of the Big Three," says an acquaintance "and what he said *went*" Nobody—*nobody* came in to see him nowadays who

didn't want something! One sensitive person recalls with bitterness entering James Stillman's office and waiting until the latter, who was busy at his desk, chose to raise his head. When he finally did it was to ask, roughly, "Well—and what do *you* want out of me?"

The visitor fled and hated him thereafter. It was brusque; but when we consider what the experience must have been lying back of the rudeness! He had never been one of those people who found it difficult to refuse requests. There was a Wall Street saying that "Stillman had refused more loans than any other banker who ever lived," and people still tell the story of his answer to a great promoter who once applied to him, "What you need is more capital, not more debts!" No: he had never found refusal hard: the trouble was that there were too many people he couldn't refuse. They kept planning new projects, new organizations, new reorganizations: they kept bringing him new problems. It got horribly fatiguing.

Other disagreeables were multiplying: truly, as Bacon said "Men in great places are thrice servants." Power closed one in. He could never say anything freely because so many ears listened, so many evil twists might be given to what he did say: this demanded perpetual vigilance. Reporters bothered one and newspapers attacked one. There were threats and threatening letters; "Lord John" locked himself up at night in a steel cage. Not long ago, Frick had been stabbed.

Bombs had been left on other doorsteps. If one went away to rest, the papers always told where. And it looked as though all this were going to be much worse if and when the threatened further "Investigations" took place.

He was tired, worried and a good deal bored: obviously the thing to do was to take a long rest in some foreign country where politicians, not bankers, sent the threats and the anonymous letters and where a man conscious of a strong interest in life and the arts might develop his tastes in an atmosphere of independence. There is no evidence that at this time he contemplated making his home in Europe; that idea was a gradual outcome of the restfulness of his life there. At no time did he become actually expatriated in thought or feeling, but from 1909 the European part of his year grew longer and the American shorter. He often said that he could really work better and see more clearly with only that daily cablegram uniting him to the Bank.

One of the longest of his holidays about this time was due to a curious incident, which was to have a definite influence on the lives of both the persons concerned. A prominent business-man,—who was to become yet more prominent in a field which he had not even considered at that period—chanced to be sitting in the office of the City Bank's President, with whom he had some acquaintance. During their talk the fact developed that something in the bank had gone wrong, and an official

was summoned. When he entered, it was to find his chief seated at his desk, wearing his immovable expression and sliding a pencil up and down in his fingers, so that it made a steady tapping on the wood. Then and there, without moving or raising his quiet voice or intermitting the drum-tap of the pencil—he berated the offender in terms so harsh, with an irony so coldly insulting and concluded in such a savage intensity of speech, that the unfortunate man trembled and the sweat stood out upon his forehead. When the culprit had been dismissed from that terrible presence, the horrified visitor spoke.

"Stillman, I never in all my life heard anything so outrageous! That man holds an important position in the Bank and you have insulted him before a stranger. Why—I shouldn't be surprised if he put a knife into you! . . . A man has no right to treat another so, nor to let himself go like that. The most charitable thing I can think is that you are on the verge of a nervous breakdown and that you have no business to be in your office!"

James Stillman heard this outburst in a white silence, his powerful face a very mask of rage, and still the pencil went *tap-tap-tap* upon the desk, so that the narrator remembers both look and sound to this day. He waited a few moments then, perhaps recalling that there were other qualities to a Sphinx beside that of unresponsiveness, picked up his hat and went out. As he passed the

door he thought, whimsically, "Well, that's the end of me!" being under no illusions as to the power of the furious man he had just quitted.

Partly for this reason, he went over to his Club and wrote a note, admitting that the affair was none of his business, yet reiterating his belief that the incident showed dangerous nerve-strain and need of rest. To this he received no answer. . . . Months passed. A card reached the narrator from the Stillman house on the occasion of a reception or similar function. After an anxious consultation with his wife, as to the chance of its having been sent by mistake, the recipient decided they must go: "Not that I wanted to, heaven knows, but I felt I must see what was what. . . ."

Nothing could have been more gracious than the smile and handclasp of his welcome, and, as he passed on, bewildered and gratified, his host said a word to the wife.

"Tell your husband from me—won't you?—that owing to something he said to me, I am just back from the best holiday I ever had."

The incident prefaced a real friendship, to be cemented under strange, shaking circumstances of which neither man dreamed, and in narrating its progress the teller paused to recall the dead: "Yes, I can still see his face—awful!—behind the desk, just as I can see him too, one Christmas Eve, in my Paris house, dancing a Virginia Reel with a wreath on his head and looking at me out

of the tail of his eye, half-humorously, to see if I thought him undignified. . . . *You see, there were two James Stillmans—I knew them both.*"

There still remains a small group of letters belonging to these European trips and telling something of his life. One from Harriman shows all too plainly the conditions which were to bring rest to that perturbed spirit before the year was out. A chance telegram gives something more: namely the reaction of a sensitive nature who holds another's friendship dear and doesn't want to hurt. That anxious "wire that you understand" is not a little touching.

Cable Message

"February 1, 1909.

Bansema (James Stillman, 19 Rue Rembrandt,
Paris, France)

Dear Stillman: There was no sting in my message. Translate it I am glad not to have taken your place. Wire that you understand.

HARRIMAN."

"January 24, 1909, Elm Court, Aiken.

Dear Stillman:

I've been idling here with the idlers for a week and am in normal condition again. I really had a nasty breakdown just before Christmas, apparently poisoned by something eaten at one of the big functions. It got completely into my system. Dr. Delafield nursed me backed to life and I'm

now O.K. again. We leave for Savannah today, thence to Atlanta and Macon, Augusta and North by Thursday next. Bertie Goelet came with me and we stayed with Joe Harriman, his wife being in New York. My girls all in midst of New York engagements and fine, and I couldn't bring any of them away.

Taft has been at Augusta all winter and left yesterday for Charleston, remains till tomorrow and then sails away for Panama. This latter trip many of us think should not be taken. All I can hear pretty close from close by, indicates that the next Administration will be dignified, fair as well as progressive—the outlook from that quarter is good. Business conditions are certainly conservative which is also good. Our people are getting used to having money on hand without considering it necessary to speculate with it. I had short talk with John D. R. yesterday and expect to see him again in a few days, he seemed in satisfied frame of mind. I'll make it short though. I want to get back home and prepare for a long trip South and West in February and March. Wish you were here to go. I am sorry indeed about your daughter and hope she may find something and somewhere that will help her to restored health. I sympathize with your feeling regarding her. The Poniatowskis have written about Christmas—thank you for doing this for me.

Sincerely yours,

E. H. H."

The letters home indicate that the City Bank President was enjoying his holiday and especially as the daughter about whose health he was so troubled seemed much improved. A card was enclosed to his mother to show her that

THE LORD CHAMBERLAIN
is commanded by their Majesties to invite

MR. JAMES STILLMAN

to a court to be held at Buckingham Palace on Friday the Twenty-Sixth of February at Ten O'clock P. M.

Full Dress. Ladies with feathers and trains.

and his account is amusing: especially the characteristic interest in dress.

"Cannes, January 31st, 1909.

My dear Mother:

I am so sorry to hear you have had a cold, but was greatly relieved to learn from a cablegram received yesterday that you were able to go out of doors again. Still the coming two months are the most trying ones in our treacherous climate and you must be most careful. Elsie and I are delighted to receive letters from you, but pray don't tire yourself by writing. She is, I am so glad to be able to say, much better. Cannes has done her much good. I am so sorry we cannot remain longer, as we are obliged to leave for Paris tomorrow so she can prepare for the presentation at court. I return with fear and trembling on her account to the damp and chilly climate of Paris and especially that of London at this season of the year, but both she and I have been determined to be presented. I hope the fatigue and excitement will do her no harm, if not, the brilliant function will be a pleasant recollection. We may return here again if it is not thought best for her to go home in March, but we

are all beginning to be quite anxious to return, and it will be such a very great pleasure to see you again. I sent Bessie the other day an Italian Railroad folder filled with illustrations. I hope they will interest her, they did me.

Last evening we had such a gorgeous red and pink sunset and this evening a yellow one.

I have never seen anything like them before, and the wonderful coloring of the land, water and sky continually changing at the different times of the day. Then the beautiful flowers and trees. I never see them without thinking of how you would enjoy them. What do you say to our renting a villa here for next winter, when you could be out of doors every day? I think it would be most enjoyable. We will talk it over when I return, which I hope now will be soon. With much love to everyone, I am

Your affectionate son,

JAMES STILLMAN."

"February 23rd, 1909,
Claridge's Hotel,
Brook Street, W.

My dear Mother:

Your lovely letter of the Eleventh instant has just been forwarded to me here from Paris. I appreciate it very deeply and have given it to Elsie to read. Soon the bright spring days will be here, and I hope we can all be together again in Cornwall this summer. We are here for the Court ceremonies and after they are over will probably return to the Riviera for a month before going home, most likely at the same hotel in Cannes from which the view is most beautiful.

Elsie and I have just returned from making our obeisance before the august presence of His Imperial Majesty at St.

James' Palace. It was a very brilliant spectacle. Diplomats and the Military in gorgeous uniforms, Bishops in their robes of all colors, judges with their wigs and gowns, and although our court costume (which was velvet and knee breeches covered with silver buttons and buckles, cocked hat and sword, which we were afraid would trip us) was very fine, we were quite modest in comparison.

Friday we go to the great Court at Buckingham Palace with Elsie and her gown with a train nearly four yards long. It is very beautiful and becoming to her. Worth, who made it, I can see realizes he has made a success, although he never made anything like the train before. The gown is soft white satin with silver embroidery, the train is a sort of mosquito netting with whole brilliants sown on it about an inch apart, laid on a rather stiff, dull silvery material lined with a soft white satin with a border of Russian sable all around it, which shows the lines and serves as a frame setting it off beautifully. It's really very magnificent but still youthful and appropriate for her. You must not think we are too worldly. The object of interesting her, the preparation, the meeting of people, the attention shown, is better and more effective than medicine and has done her lots of good—which will please you if my description of the gown does not. With love to you all, I am

Your affectionate son,

JAMES S."

"Hotel California, Cannes,
March 8th, 1909.

My dear Mother:

With going to Court, then Ernest's coming and going and our returning here, we have been having rather a stren-

uous time. The Court presentation passed off very successfully. Perhaps you would like a description of it.

At noon on Tuesday of the eventful week Will and I went to the Levee at St. James Palace, and thought we looked very fine in our cocked hats and velvet coats, knee breeches and swords, but when we were there were completely cast into the shade by the brilliant uniforms, not only of the Army and Navy Officers but the Diplomats, Archbishops and Bishops in their gorgeous colored robes, and the Nobles. The only persons present who were at all sombre were the judges with their big wigs. It was a very impressive sight, the five hundred or more prominent men in the old palace, many coming from remote parts of the world to pay respect to their King. It made one realize the greatness and power of England.

The following Friday night the Court was held at Buckingham Palace. Will and I were with Elsie all the time, except when she was presented to their Majesties, but I had a good view of her and felt very proud, and so would you if you could have seen the graceful and dignified manner in which she entered the great Throne Room and, when the Lord Chamberlain presented her, courtesied first to the King and then to the Queen seated on their thrones, surrounded by the members of the Royal Family and all the great officers of State. In front of and facing their Majesties were all the Foreign Ambassadors and Diplomatic Corps and the Peers and Peeresses of the Realm, passing between them and the King and Queen. Her court dress looked beautifully and I think was by far the handsomest there. As she entered the Throne Room Lady Londonderry exclaimed to a lady sitting next her and with whom Elsie lunched on the following day, 'Look at that beautiful dress. No English woman can dress like that.' Elsie's friend replied, 'No, she is

an American.' The King also remarked to the American Ambassador, 'It gave him great pleasure to meet a member of a distinguished American family.' She was fêted during all the time in London by very prominent people and thinks naturally its the most interesting place in Europe. It goes without saying she enjoyed herself, and in spite of the excitement and fatigue it seems to have done her health good, so besides being a pleasant remembrance it has served a useful purpose. This was the principal object as far as I was concerned, and I was very glad to take all the trouble and endure the wretched climate to accomplish it.

Now we are back here and I hope to get rested in the sunlight and open air, and that with the return of Spring we can all return home well and happy. With love to all, I am

Your affectionate son,

JAMES STILLMAN."

A letter from Jacob Schiff, full of good-will expressed in his somewhat formal style, shows that the crucial moment of retirement had actually taken place, although it is not by any means certain at this date James Stillman had finally decided to live in Paris. He returned home in early summer to find Harriman ill. By the next letter, the positions are reversed: it is Harriman who writes from the Continent to Stillman in New York.

"965 Fifth Avenue,
January 12, 1909.

Dear Mr. Stillman:

I have to thank you for so many things and shall enumerate them in the order in which they came to gladden me.

First on the morning of the tenth a charming note from your son with a box of champagne sent on your behalf as a birthday gift, then your thoughtful congratulatory telegram from Cannes and lastly your nice letter from Rome which reached me yesterday. How you manage to remember my birthday anniversary is rather surprising, but I assure you I am deeply gratified to know that I am in your thoughts and possess your friendship. I trust your stay in Rome ended before the dreadful catastrophe in Sicily and Southern Italy occurred and which no doubt created much consternation throughout Italy as indeed it did no less here than anywhere. I had a cable from Princess Teano, who it appears has gone to the scene of the disaster. We just had received such a splendid photograph of the Princess with her boy and I am glad you had in any event some pleasant days with these charming mutual friends, who I know think a great deal of you, which, however, is not surprising. Here everything moves in its usual manner. There has been a large demand for investment securities and we have been placing some Railway and other loans of some magnitude. Commercial and industrial affairs are still rather inactive nor is it likely that this will change greatly until the tariff changes are finally decided upon which will hardly be before next summer.

The new City Bank Building is no doubt the most dignified structure of its kind, very impressive in its massiveness and simplicity and we only regret that you should not have had the satisfaction to have been present when the Bank which you have made so great and so respected moved into its new beautiful home. I trust however, you will now return very soon, and I hope especially that the condition of your daughter may soon cease to give you any anxiety. Mr. Vanderlip was elected President today, you becoming Chair-

man of the Board as you desired: but I hope that you may for many years yet remain the Bank's guiding spirit.*****

The Union Pacific, Southern Pacific Government suit examinations are on at present but are rather tame and create neither excitement nor discussion. I was on the stand yesterday in all only forty-five minutes and the questions asked of me were of a very innocent character.

Looking forward to the pleasure of having you among us again before long and again thanking you for your amiabilities, I am, with cordial greetings, in which Mrs. Schiff joins,

Yours very sincerely,

JACOB H. SCHIFF."

"Semmering, July 2, 1909.

Dear Stillman:

We've been unlucky in weather, cold, rainy and heavy. Strumpel is a good, straightforward German without any mystery or frills and I like him. My appetite hasn't turned up yet, but I'm somewhat better than at Paris. Mrs. H. improves and so does Millar. It's awful dull and stupid. The children will be with us in about three weeks at Gastein. Maybe that will cheer us or rather me. Thank you for cabling us regarding Arden. I'm afraid too much of our sleeves are held in speculation especially over here. I originated the China matter and Vanderlip ought to be for and not against me. I don't care much though. Mayn't I suggest that the City Bank situation between W. R., you and me to which you referred again at Paris, be disposed of when you come over, end of this month? What's Perkins doing at Butte? On his way to Alaska, I suppose. Don't forget my suggestion about the copper situation and W. R. I like

Pach Brothers

JACOB SCHIFF

from the portrait in the New York Chamber of Commerce

to work with brains, you know. The doing the thing is what interests me—I'll depend on having you with us or us with you in August. Looks like another big year, if crops mature as it looks now. It's early yet and prices are high and speculators busy. Mrs. H. joins in all my messages and hopes of seeing you.

Sincerely,

E. H. HARRIMAN."

In September of that year, Harriman died. It had been a real interest, a real friendship and it was a real loss. The number of black-edged letters from various members of the dead man's family during those months, testify by their constant acknowledgment of attentive kindness, in what manner James Stillman expressed his sympathy. Another tie was broken; life held an excitement the less. One might differ with Harriman; one might contend with him, be uneasy about what he might do next, but he made one feel alive. This rising generation of mild and affable business-men with their heads full of what James Stillman called "the Chicago uplift" school of finance, seemed pygmy by comparison. Were they the product of democratic standardization, like everything else?

He sailed for Europe at the end of the year, as a letter from Mr. Schiff witnesses.

"965 Fifth Avenue,
13th January 1910.

Dear Mr. Stillman:

You must have a wonderful memory and I assure you I deeply appreciate your kind thought of my recent birthday anniversary. Both your marconigram and your sparkling gift came to hand in proper time and were most liked, because of the amiable sender, from whom they originated. I hope you have had a comfortable journey and that when these lines reach you, you will already be enjoying the balmy air of southern climes. Nothing new has happened since you left, except that the President has sent to Congress his railway regulation bill and also the bill providing for federal incorporation of industrial companies. I have now gone out of the different Harriman Boards and have been replaced by Kahn and Mortimer, while Wm. G. R. has also gone into some of the Boards which pleases us all.

Sincerely your friend,

JACOB H. SCHIFF."

A winter spent very restfully in Southern France and a spring in the Rue Rembrandt determined Mr. Stillman to make the latter his European home. Matters were moving in Wall Street much as he had expected and a hint in a telegram from Morgan during the June of 1910 shows what the trend was likely to be.

Telegram

"London, June 11, 1910.

James Stillman,
19 Rue Rembrandt, Paris.

I expect your company and also will secure you all necessary accommodation on Adriatic am so delighted that we are going home together for from present indications we shall need each other over there.

MORGAN."

If Morgan hated this being brought to book like a naughty school-boy and catechized as to his performances and his clients and his commissions, one can imagine how this was felt by a temperament like Stillman's.

It must have been about this time that he made an arrangement, together with Morgan, to purchase from the Ryan and Harriman Estates, a large interest in the Equitable Life—which was still suffering from the scandals of its previous management—paying therefor about three millions, which the Big Three divided be-

tween them. During the next year similar purchases were made of Mutual and Equitable Life Insurance holdings in the stock of the National Bank of Commerce, distributing it in such a manner that Morgan and Baker retained the Equitable interests, while Stillman held the Mutual's. The Money Trust Investigation of 1913 placed both Morgan and Baker on the stand and interrogated them as to the "reason" for these transactions. Mr. Morgan's, evidently candid, was that he "thought it would be a good thing" and Mr. Baker's answers were much to the same effect. At this distance it would seem as though an elementary psychological primer would have provided the inquisitors with information as accurate, since the acquisition of large holdings in important institutions when their stock was low had been the short and simple annals of American business for more than a generation. By 1913 Mr. Stillman was definitely out of it; and turning his mind as much as possible to other things.

When he settled in the Rue Rembrandt, he must have realized that he cut himself off a good deal from his children and their growing families. But his code and training made this a natural thing to do. He was very self-sufficient and he had lived long alone: Yet he was still in all essentials a devoted parent. A sentence in one of his letters repeats "No one will ever know what I have done for the Bank and my children—but they have always come first—I wonder if they realize it?"

Many American fathers have asked this question—looking back wistfully upon the years when paternity was only one of a hundred pressing responsibilities. In this case we know that such responsibilities were not taken lightly. Of his five children, two daughters, Elsie and Isabel, were now married to the sons of his friend, William Rockefeller. He had also three sons, James A., Charles Chauncey and Ernest Goodrich, and as we learn from the letter-books quoted in an earlier chapter, he made all of them the subject of constant care. No detail of health or of education escaped him and he had reason therefore to believe he put his children ahead of his Bank. Unfortunately, parenthood like the other relations of life is an art as well as a bond and James Stillman had little time to learn that art. When they were tiny, it was easy; he filled their Christmas stockings and prayed with them and played with them and teased them with little jests. One of them still remembers his visit to the nursery with a music-box gaily tinkling away in the pockets of his tail-coat, while the puzzled child hunted for the sound.

A family engagement was always sacred to him, so sacred indeed that his secretary marveled. He was proud of his five children; he chuckled at their little ways and in illness he was over-anxious and "oozed" with sympathy, as one of them puts it. The Stillman Infirmary at Harvard is the outcome of the illness of a son while there.

As they grew older, however, responsibility was always in his mind, to interfere with freedom of intercourse. James Stillman knew very well that a millionaire's least successful production is apt to be his family; he had ever before his eyes the demoralization befalling the children of a millionaire of his youth, and it was a warning spectacle. Unquestionably, he set himself to overcome this handicap for his own family, by the use of a rigid sense of discipline. There were flashes of intimacy—walks and talks with the boys in the woods of Cornwall—but by next morning the iron mask was down again. He was severe and harsh; he was often sardonic and youth hates sarcasm. His own nature had never moved easily with the current of life. Sensitive himself, yet he had small patience with youthful sensitiveness. It was hard to open up to him; he felt it necessary to be disciplinary. When one of his boys spoke impulsively about college friendships, his father answered only, "Forget all that! Your friends will be the men you do business with!" The same boy was hurt at receiving only typewritten letters while at school. Yet he and his brothers were constantly in their father's thoughts, incessantly the subject of that old-school conscience which regarded one's family as potential subjects of damnation. Such instincts made the parent aloof and impersonal, holding his children at arm's length, the better to do his duty by them. He had always leaned backwards about pushing them on in the

world, for fear they would be soft. Now they had their own families and he had acquired a habit of living alone which he could not change. At this time in his life the most important thing in his mind seemed to be to get out of the business rut into new interests and to see more of the European world, whose restfulness and dignity made so definite an appeal.

Chapter Eighteen

THE PARIS PERSONALITY

Up to this important year of 1909, this book has been concerned with the career of a highly successful man in the setting of his own world, together with the effect he made upon it and some of the effect it made upon him. The scene changes: the career is left behind. A man in his late fifties, active mentally and seeking new interests, now presents himself before us as a figure in a civilization which his country folk of that date regarded with a curious blending of suspicion and reverence. This man could have anything that money would buy but, by the subtlest irony of Fate, chanced to want most of all a great many things that it couldn't. Some of these things he sought for in this elder country and one at least he found there. Let us see what his new surroundings meant to him and what impression he came to make upon them.

A large body of otherwise sensible Americans, when they hear that a retired business-man has gone to live in Paris, immediately believe that he has done so because he wishes to lead more easily a life of sensual self-indulgence. They ignore the fact that temptations to such

a life are apt to be greater in America, because in this country the gratification of self is ingenuously supposed to be the only reward of toil. Many a rich man in the United States is forced to choose between vice and yawning. Had the subject of this biography remained in his own country, his acquaintance would have expected nothing of him beyond a Mediterranean cruise and a little golf. Mental stimulus is hardly felt as a serious necessity and our millionaires do not expect each other to study languages, go to lectures or take more than a buying interest in paintings. James Stillman knew that "They manage these things," as the satirist says, "better in France."

His acquaintance with that country was now some years old and had deepened from liking into friendship. In its political and economical situation he took the keenest interest; moreover, its love of form, order and thrift were congenial to his mind. These opening years of the twentieth century showed a France recovered from 1870 and politically unshaken even by such storms as the Dreyfus case. This was a France already rich and growing richer—a France which outwardly at least no longer feared Germany and was not yet awakened to the real meaning of German foreign policy. Many observers thought the situation with Germany had become practically stabilized. One or two clashes had occurred with England, followed by reconciliations and a healthier attitude due to the tactful policy of Edward VII. The

alliance with Russia gave widespread satisfaction. Among the rising statesmen was a vigorous person named Clemenceau. Currents of artistic and literary energy ran full and swift. Innumerable new movements and new men were noticed, while the elder group had not yet disappeared. Bourget, Prevost, Barrès, Rostand, Anatole France were writing. Archaeological study and discovery had become of great importance and that wave of interest in antiquities, paintings and *objets d'art*, which later was to sweep so many treasures across the Atlantic, was just beginning to flood the auction rooms and art galleries.

Personally, James Stillman found all this extremely interesting. In the city he had chosen his active mind had perpetual exercise. Nothing escaped it. Those fellow-countrymen of his whose strength, spent in money-getting, had left them, when the money was got, fit for nothing but German baths and the Casino de Paris, had always aroused his contempt. He found so much to do, to study, to observe, and to reflect. He took his mental furniture out of storage, set it up and dusted it. He learned French—a simple path of approach to France which few among his countrymen even trouble to take, and hung a large chart of irregular verbs over his bathtub. He attended *conférences*, literary, artistic and historical and was to be met at exhibitions of painting, porcelains, manuscripts. He interested himself in various projects, made a large

foundation in the Ecole des Beaux-Arts and subscribed together with Morgan, Vanderbilt and others, to the new Theatre des Champs Elysées. He enjoyed concerts, the play and the opera. Moreover he could do all these things without surprising anybody; they were natural and expected. And although he was never really let alone, yet he had more privacy in Paris than anywhere else. He was free, for a time at least, of the wolf-pack, snarling and sniffing forever around his door.

If he wanted to meet people with something new in their heads, they were easily come by, for during this period, Paris housed probably the largest number of intelligent and cultivated minds in the world. His keen love of beauty and of stateliness had satisfaction. There was a touch of adventure in the sharp flavor of every passing hour. One likes to think of him sitting there distinguished and impassive, as his motor slid down the long slope of the Rue de Courcelles toward the glittering city.

Fit setting for this life was his house, a beautiful house, which he had occupied for several seasons and bought in 1911. It stands overlooking the Parc Monceau, at the corner of the Rue Rembrandt and the Rue Murillo, not far from the Rue Velasquez and the Rue Vandyck, so that one who ever loved painters now dwelt among them. The mansion is built of grey-green stone, formal, dignified, with an imposing tripartite entrance; its windows look upon a sward as green in March as Cen-

tral Park in May, while from them the master of the house could always see at play the figures of little children which he loved.

This house he now began slowly and tastefully to fill with beautiful things, and in pursuit of them visited galleries and other collections and met people of similar tastes. Often he made trips out of France in search of some desired object or to attend a festival at Bayreuth or for a visit to England or to Italy.

Life at 19 Rue Rembrandt was a regular one. After the daily cables to the Bank and a stroll in the Parc Monceau, the hours were filled with varied enjoyments. Yet busy as he was with matters unconnected with business, it must not be supposed that business was ever neglected. The cables were never perfunctory. Whatever happened in Paris, James Stillman's first thought was the Bank and if anyone in New York fancied he had fallen asleep at the switch, there was apt to be a shock of enlightenment.

During these months in 1912-1913 that the Federal Reserve Act was being discussed and promulgated, the American papers gave a series of interviews conveying doubts as to the support rendered the Act by certain banks, among which the City Bank was the most notable.

On an evening when Mr. Stillman was dining with Ambassador Herrick the subject came up between them.

The house at No. 19 Rue Rembrandt, Paris

"Have you noticed these statements in the papers?" the guest asked. "What do you think about them?"

"Yes," replied the Ambassador, "I have noticed them. Of course the Act is not perfect but it is better than nothing. And I can't see why your Bank, Stillman, wants to take on the United States government. You may think you can fight the United States—but do you want to?"

James Stillman entered upon one of his concentrated pauses of reflection. After a long time, he said:

"May I send a cable from here?"

"Surely."

The cable was sent, requesting an official of the City Bank to take the next steamer and on the following week the three men were dining together at 19 Rue Rembrandt. On that occasion there were no silences. Not only did the Chairman issue the most positive instructions as to what should be done and what should not be done, but backed them up with a convincing logic which left no doubt as to his own view of the unwisdom of "taking on the United States government." The official returned to New York and the attitude of the Bank was made clear. Incidentally, it was felt that the Chairman was not so far away as some people may have thought.

Naturally, such incidents did not occur often and there was time in the afternoon for motor trips, on which the host sat in front and the guests behind. Some-

times on Sunday there would be a run out to Villebon, through the Bois de Meudon to see Mr. Vanderbilt's horses; or to Miss Cassatt's at Beaufresne or to Mr. Peixotto at Pre-Joly.

There was always and every day shopping, whether it took the form of browsing in book shops, or buying many frocks for daughters and daughter-in-law, with a serious interest which makes us the less surprised to hear him say that he would like to have been a couturier.

A stream of guests kept arriving and departing; his children and their families, his old friends. Cars must be despatched to Cherbourg or even to Geneva to meet them, and when we read his letters there is a constant sense of favors rendered and favors returned. Friends from home felt that new geniality, those touches of gayety, and the letters reflect them also: . . .

"Oh kind Peixotto," he writes, "what wonderful strawberries!" and gaily congratulates another friend on his retirement from business "and joining the ranks of the unemployed with me. I hope," he adds, "it may give me another intelligent and agreeable playmate."

Before these years 1909-1911 are left behind, a picture of life at the house in the Rue Rembrandt and of its master has been preserved and should be here inserted, from the pen of Mr. Stillman's daughter-in-law, Mildred Whitney Stillman. . . .

"The summer of 1911 brought me two deep experi-

ences so blended that I never entirely distinguished them —my first acquaintance with Europe, and my first acquaintance with my father-in-law, James Stillman.

Symbols have always had strong influence over me. I never realized the greatness of Napoleon until I saw his tomb. Nor did I realize the greatness of my father-in-law until after having spent two months in his company. On my return to New York, I walked down Wall Street and entered the columned portals of the National City Bank.

Standing in that mighty shrine of American business, in the cathedral hush of its marble floors, a pigmy under its vast ceiling, I wondered why I had never felt awe in the presence of the mind which had created and ruled the great power of which the majestic building is a symbol. I think the answer is in the old, old verse, "perfect love casteth out fear."

Just because I was a shrinking child, not yet twenty-one, just because I had never been away from home for more than a week before that summer, my very diffidence made me turn to my new father-in-law, and no real father could have been more protecting or more gentle.

He was such a little man, hurrying to meet us in the great London station. I hardly had to reach to kiss his cheek. It did not seem to matter just then whether I were in London or in Hoboken. We were delighted just to be on land again and to see someone we knew after the

dreariness of the huge and lonely Olympic. As we sat in the cab making for the Curzon Hotel, all of a sudden the houses of Parliament shone before us in the sunset mist. Against the glowing background, Mr. Stillman's face stood out in all its distinction, his fine forehead, shaggy eyebrows and long, aquiline nose. Riding towards those symbols of the Power of England, he seemed to symbolize the Power of America—for at that time the strength of the United States seemed centralized more in Wall Street than in Washington.

Mr. Stillman loved England and could outmatch his British friends in nonchalance and taciturnity. But perhaps because of his own natural silence and reserve he loved best the voluble and demonstrative French. He spent our first evening in Paris dilating on the charming qualities of the French race, and advising us how to meet them. "A French servant," he said, "would rather have a pleasant word than a piece of silver. They make a grace of living and value graciousness in others. But no one should come to France until they are sixty," he added. "It is too hard to leave."

Looking around the dim library, as he spoke, resting my eyes on the vase of yellow porphyry on the old green velvet table cover, then raising them to Murillo's wistful Madonna hanging over the wide fire-place, I could well believe that this Paris home would be hard to leave. The cream of the old world seemed caught in that perfect house at 19 Rue Rembrandt.

The house stood at the end of the street, right against the Parc Monceau—that lovely "parc anglais" done in a style of gardening which the French say did not really come from England at all, but from China. In late June, it was a flickering depth of foliage. A little balcony on the first floor opened upon a tiny private terrace overlooking the park. As we lunched there during hot noons, eating our chicken in aspic and strange and wonderful ices, we might have been in a Normandy château, our sylvan isolation seemed so complete. During our two weeks in Paris we were caught in the famous 1911 hot spell. The house never grew hot, but streets and museums seemed less and less attractive. I was contented to enjoy the masterpieces and to absorb the harmony of number 19. It was education and entertainment enough for me. I remember especially the lovely Gainsborough lady in the picture gallery. I can hear Mrs. Havemeyer saying to Mr. Stillman "I am so glad you have an Ingres," but what the Ingres was, I cannot remember. I do remember the Rembrandts, and the striking, almost sinister, Titians against the crimson velvet walls of the dining-room. One of these Titians and one of the two Moronis as well as the Murillo are now hanging in the Metropolitan Museum. But my favorite was the early Italian holy family which hung in its round frame over the library table. The decorative quality and the rhythm of the bending figures, the gesture of the baby, who seemed almost to leap up to his mother—these held

me day after day. The restraint of this primitive virgin and the warm exuberance of the Murillo merely deepened by juxtaposition. My father-in-law said that he once entered the room and found two nuns on their knees before the Murillo. "Weren't they confused by your coming?" I asked. "Not in the least," he answered. "They finished their prayers, and then rose with entire dignity, and told me their errand."

We led a lazy life at 19 Rue Rembrandt. Mr. Stillman had to work all morning over his cables and did not join us until lunch-time. There was a large mirror in the ceiling of my bedroom, and as I lay in the wide directoire bed, I could look at the ceiling and watch the gardener walking in the park below. The long windows opened on balconies, a perfect setting for a Parisian romance. If it were not too hot, we would make an excursion to the Louvre or to the Eiffel Tower before lunch, and then in the late afternoon Mr. Stillman would take us to a favorite shop or through the Bois.

He often wanted to dine with some American business man. I shall always associate the Elbert Garys with the glittering Ritz, and Hugh Black with the Pré Catelan.

Long after we had gone to bed, Mr. Stillman would work over his cables. For although at that time he was supposed to be retired from active business, he could never be out of communication with New York. The bank, with its many interlocking responsibilities, was

on his mind day and night. He seemed like Atlas who never could lift the world from his shoulders.

Twice, however, he did leave his mail and cables and take us outside of Paris to spend the day, once to the charming country home of Mr. Peixotto. The house was low and quaint, and every twist of the paths, every shady opening with table and chairs, showed the personal interest and love which alone give personality to a garden. Mr. Stillman appreciated this. "Mr. Peixotto," I can still hear him saying, as he set his coffee cup on the rustic table and drew his long amber cigarette holder from his mouth, "I have seen big places and little places, but I have never seen a country place I like better than I do this."

The other day-trip was to Beaufresne, the home of Mary Cassatt. Her old brick house had originally been a hunting lodge, belonging to some château—one of those delightful rambling buildings with more picturesqueness than convenience. I remember especially a sort of long, glassed room, like a sun porch, and the lovely pond with willows hanging into the very water, beside which many of her pictures were painted. As those who know her work know, Miss Cassatt usually painted out of doors in bright sun-light. Much of her best work was done at Beaufresne, where the models were neighboring peasant women and their children. Critics have sometimes objected to the homely faces of her women. But as Miss Cassatt wrote to me later when

I sent her a photograph of my first baby "Most mothers with nurses do not know how to hold their children." This great painter of maternity wanted the rhythm of the constantly curving arm—the constantly bending back. She found it in those French women of the soil, and stooping over their firm-bodied children.

Miss Cassatt herself was tall and gaunt, dressed in a shirt waist and black skirt. But her strong face and her rapid intelligent conversation gave me little time to notice externals. We had delicious curried chicken for lunch, a *specialité de la maison,* and looking forward to my first housekeeping I asked for the recipe. Miss Cassatt expressed surprise that I was interested in cooking, and then I received one of the only two direct compliments my father-in-law ever gave me. After all, it was chiefly negative. "She isn't a spoiled New York girl," he said.

Miss Cassatt wanted to paint Mr. Stillman's portrait and I wish that he had given her the opportunity. I do not know that she ever had painted a man, but she knew her old friend, and knew what expressions to watch for in his often mask-like face. Kaulbach, who is said to have told the Kaiser that, "he painted men, not buttons," did make a fairly good portrait of James Stillman the banker—but I think Miss Cassatt would have painted the father and the friend.

Miss Cassatt was heart and soul a modern. She abhorred the sentimental. She prevented Mr. Stillman

from buying two small heads of Greuze, with their pastoral sweetness; and when I mentioned the beauty of Mme. Vigée le Brun, she dismissed her with this comment. "She painted herself."

Mr. Stillman's great recreation was touring. In earlier years he had been a devoted yachtsman and land cruising in the big Mercedes seemed to give him the same rest and diversion. He planned the day's route the night before, and sat in front beside Gramont, the chauffeur, directing the course of the car as he used to direct the passage of the "Wanderer," in and out of Newport Harbor. Gramont was a huge Frenchman with long black moustaches, an expert mechanician. I believe that in the war he was invaluable in the machine shops. He would have made a perfect poilu.

Our first trip was to Wiesbaden and as we crossed the frontier I shall never forget how Gramont glared at the guard of German soldiers. He was ready to fight them in 1911. The Morocco question was agitating Europe then, and more than one evening in the library at 19 Rue Rembrandt I had heard serious discussion of the war which seemed imminent.

"On one side of the Rhine a debilitated nation growing richer and richer, on the other side a vigorous nation growing poorer and poorer," said Mr. Stillman one night. "The German government goes on pouring money into armaments and sits up nights trying to think of how to raise their taxes. A nation can not go on spending more

than it earns, any more than a business or an individual can. Catastrophe is inevitable."

But as we rolled along the long white French roads with the trees parading the horizon, like ladies with open parasols, nothing could have seemed more peaceful or more secure, than Champagne in 1911. We lunched at Chalons-sur-Marne, passed through immortal Verdun, and spent the night in Luxembourg, following the route out of France which the Germans took to enter France three years later. In 1914 war maps of that ravaged region recalled the sleeping river, the thick leafed vineyards, and warm-tinted villages of our trip. Along the road and in every village whenever we passed a child Mr. Stillman would throw out a handful of candy. The candies were done up in papers and the children leaped forward and caught them in their little black pinafores. Where a school was letting out Gramont stopped the car and Mr. Stillman walked over and dealt out chocolates to the boys and girls. He would stand there smiling, in his visored cap, and long brown ulster, while the children pressed and pushed around him. It would have made a perfect subject for the brush of de Monvel. Some of the boys and girls seemed to remember Mr. Stillman from past visits, and indeed around Cannes where he frequently passed the winter the peasant children used to run out when they saw his car coming, calling "Papa Bon-bon!"

We went from Wiesbaden to Lucerne and from Lu-

cerne to Interlaken. In the cities, Mr. Stillman would plan our sightseeing and then busy himself with his interminable cables. Late in the day he loved to stroll through the shops. No woman ever enjoyed shopping more than he. In Paris he picked out an opera coat for me which still hangs in my closet, after fifteen years, because though impossibly out of style now, the colors are so lovely, I have never been willing to part with it. He also bought us our table linen, considering the designs for the monograms as seriously as if they had been state papers.

But in the Swiss towns it was the curio stores through which he loved to browse—picking up novelties here and there to take home to store in his locked closet until the proper moment for presentation came. In the evenings, in the dining-room of some "Grand Hotel du Parc," he would watch the coming and going of the other diners, making little comment, but letting nothing escape him. He used to sit in silence, with eyes lowered, his grave face as set as a mask, while my husband and I chatted on as though en tête à tête almost oblivious of his presence—then suddenly he would break in with some incisive remark showing that he had not missed a word of our conversation.

I shall never forget the night at Caux-sur-Territet. It was warm and we were dining on the terrace, under the full moon. The music, which seemed always present in Switzerland, came softly through the long French

windows of the hotel. We were a little out of the crowd, near the parapet. The lights of Montreux sparkled on the curved shore of Lake Geneva, far, far below. The moon-light glistened on our companion's white hair and on his white shirt front, but his personality seemed merged in the darkness behind him.

My husband was telling me a story, told him by his Montana guide in their log hut on the banks of Hell Roaring. Dave had been "wrangling" a naturalist from the east, a writer famous for his efforts for the preservation of wild life. One day he proudly showed the naturalist a humming bird's nest near their camp in Yellowstone Park. The nest was just over the edge of a cliff and the guides had been enjoying watching the tiny mother bird skim back and forth bringing honey to her babies. When the morning came to break camp, Dave went to take a last look at the little family, and found that the nest was not there!

"Did one of the men take it?" my husband had asked.

"No man out here would touch a nest with babies in it" Dave had growled. "It was the great naturalist."

"What a humbug," I cried. "I shall never read his books again. I am disgusted with him."

A voice came out of the evening. "My child, never be disgusted with any being whom your Creator has made. If the man were valueless, he would not be alive."

Startled and abashed, I looked up across the table. My father-in-law's eyes were wide and full of light. The mask had fallen. His face might have been that of a sage or a seer.

From Caux we went to Zermatt and from Zermatt to Chamonix, glorious days, each following the other like the pages of a thrilling book. Then Paris again and back to England to sail. I caught a heavy cold in London and the night before our sailing lay curled on the sofa in our little sitting-room in Brown's hotel, dreading the discomfort of the voyage which I felt sure would be more trying because of my cold.

"Sea-sickness is nothing to be afraid of," said Mr. Stillman. "Just strap your belt tight and take a teaspoon of whiskey."

Then he launched into a stream of reminiscences to cheer me up. He could not come home with us for he could not stand the nervous strain of New York life, but he hated to have us leave him, and we hated to go. We all needed diversion and he was most diverting, telling of his life as a little boy in New York City in the sixties.

When the Civil War broke out his father was in Texas where his entire property was in danger. Mr. Stillman was eleven years old when Fort Sumter was fired on. This care made him old for his years, and yet the absence of a strong armed parent gave him much more freedom to exercise his ingenuity. His active mind

and force made him a leader of the 32nd St. boys. His next door neighbor had a pet rooster and one day this boy's older sister plucked out the rooster's long green tail feathers to adorn her best winter hat. The boys felt outraged. They waited until Sunday morning and then rigged up their fishing tackle and went into the second story front room of the Stillman's house. They knew that the offending sister would walk home from Church with the gentleman for whose admiration the rooster had been despoiled. As she passed under the windows of the old brown-stone house, she felt her hair pulled. Before she could realize her predicament, her new hat was jerked from her head and rose slowly in the air until it disappeared in a second floor window. The young lady was beside herself. The gallant who accompanied her scowled and swung his cane, but there was no enemy in sight, and he knew better than to try to enter the house single-handed.

"You have an early start to make tomorrow," Mr. Stillman ended and then paused "Well—the world is always a-coming and a-going."

The next morning we said good-by at Euston station. We hurried on board the boat train and did not look back at the lonely little man, who always seemed to me to have given the world so much more than he had received from it."

The friendship with Mary Cassatt, of which we have

just read, was of some years standing and had become an important one in James Stillman's later life, during the period when he was most active in forming a collection of paintings. Pictures he had been buying for a long time, since the early nineties in fact, and this never from ostentation but from enjoyment. As time went on he enjoyed them more and more, without affectation or any of the veneer of knowledge so often assumed by the collector. Indeed, he always protested that he wasn't a real collector, that he didn't wish to be, because one was so apt to get into it too deep. There is no doubt, however, that Mary Cassatt's enthusiasm for the pictures she understood as well as created was a great stimulus and laid the foundation of friendship between them. The taste was one which he was glad to have cultivated by so admirable a craftsman. Moreover her vitality and interest were difficult for any friend to withstand, particularly one who admired personal force and liked people who accomplished the unusual.

Certainly, Miss Cassatt had done this and more. A vigorous and talented woman, with a distinguished reputation, she was possessed of an electrical temperament and was as communicative as her friend was the reverse. Born in Pennsylvania, she was a member of a Scotch-American family, one and all extremely able, and of so marked an individuality that they were said to be "Cassatturated!" One of her brothers was the President of the Pennsylvania Railroad and it is probable,

though not certain, that she first met Mr. Stillman through his acquaintance with Alexander J. Cassatt and E. H. Harriman.

For years, Mary Cassatt had made her home in France at Mesnil-Beaufresne, near Beauvais, where she lived and worked, identifying herself with the newer movements in painting. Degas, in 1879, had asked her to exhibit with the group called "Impressionists" and later that master accorded her work an unwilling admiration, exclaiming before one of her canvases, "A woman has no right to paint as well as that!" Critics and fellow-artists confirmed this impression in Europe, although it was very much slower to reach her own country, a fact which made a deep effect upon her mind.

Her personality was vivid, her thin, strong face, erect body and swift hands all spoke of mental vigor and vital interest in life. A loveable, whimsical person, violent in likes and dislikes, vehement and crochety, quick tempered and soon over it, she was full of all sorts of fiery causes and beliefs. As she was excitable, she found James Stillman's tranquillity and steadfastness decidedly soothing. No doubt this caused him some pains to maintain, for she was by no means always satisfied with him, quite the contrary. Sometimes his quiet self-control would irritate her; she would lose patience and refuse to see him: he would have to keep that smiling philosophic tolerance, send her pet-dog collars and feeding-bowls from Tiffany's, and soon she was all smiles again.

Courtesy of Durand-Ruel

Mary Cassatt at the time of her friendship with James Stillman

He was extraordinarily patient as always and we find him commenting on the fact that excitement of a sort seemed necessary to her nature. "The War" he remarks somewhat cynically "does her good!"

Once, when she was very much put out with him for being annoyingly calm when she wished him to be fiery, a friend of both had to make the peace and persuade her to motor with her from her villa at Grasse to Cannes where Mr. Stillman was staying and where he was heartily glad to see both of them, being, as was not unusual with him, rather lonely than otherwise. When she came to Paris in the winters, she threw herself with great zeal into his collecting plans, and although sometimes, she said, she longed to shake him for that habit of breaking off at the point of some communication and never going on, yet she pursued his artistic education in her own fiery way and was ever a loyal and sympathetic friend.

We find her summoning him imperiously to see some picture she thought he ought to buy, or "turning the very air around her blue" he writes, by tirades against the Germans. And often, as we have just read, his car took the long road through that empty countryside past rusty villages and hedges where the genesta puts forth an early blossom, to turn up at Beaufresne for lunch.

In the following group of her letters, only one of which is dated, the prevailing tone is that which the writer calls "croaking" and the reader may philosophize

if he will over that repetition of the *Vanitas Vanitatum* lament by these two extremely successful people. It gives one rather to pause on the satisfactions of success. A letter of Auguste Rodin is included and one or two characteristic epistles from James Stillman to members of his family.

"Mesnil-Beaufresne,
June 28th.

From Mary Cassatt.
Dear Mr. Stillman:

I am glad to see your safe arrival registered in the 'Herald,' I hope after a pleasant crossing. You have escaped most unpleasant weather, we have had almost incessant rain and storms, we may have floods again next winter if this state of affairs continues.

I was in Paris last week and saw the Chardin portrait at Wildenstein's, a most interesting and beautiful picture—I spent an instructive half hour before it, and am more in doubt as to the authenticity of most of the other Chardin portraits I have ever seen, so different is this one. I don't wonder Wildenstein attaches a high value to it, it made me feel a great desire to go home and begin a picture, it is so inspiring, and you won't misunderstand me when I say I felt it was not impossible to paint that way, it is, of course, but one feels as if one could, and one wants to try. I have thought of the picture constantly since.

You spoke of the Corot, as compared to the Chardin, Corot is on a different plane, and after all the admiration for the portrait, I cannot think of it along side of the 'Toilette'; that seems to me one of the most beautiful pictures of the world; it lifts me into another region and when I think of

that picture we saw together, it is to feel that art is one of the great things in this life, I am pretty sure you feel as I do. I confess I have a sort of longing for you to own that picture. I think you would own a fine picture if you owned the Chardin, but you do own finer pictures than that.

The bracing air of Canada would be delightful just now, I hope you are enjoying it and that you are lucky as a fisherman. I had a mind to send you an article on the present situation in America by a Colonel Robert M. Thompson which appeared in the 'Herald,' but you no doubt have enough of that and I will spare you. With kindest regards and best wishes for a pleasant summer

Always most sincerely yours,

MARY CASSATT."

"Mesnil-Beaufresne,
Thursday.

From Mary Cassatt.

Dear Mr. Stillman:

If Wednesday will suit you to go to Mr. Whitneys, I will be in town that day. I am very glad to have the opportunity to see his collections. I am bound to learn all I can about Persian potteries, now that I am in the book—On Wednesday we will hear the result of the elections, and I confess to great excitement. I can well believe what it is in New York, and I am very glad you are not there. I do though, hope, and believe, that people's eyes are opened. Mrs. Munro who has been on Roosevelt's side—heaven knows why, writes that she is alarmed and thinks this interference has gone far enough. Well, on Wednesday we will know if the American people have kept their heads, or want to hand themselves over to a master.

I have a letter from Helen Sears who experiences great

pleasure at having received the photographs you took.***** I have always taken a great interest in her. I am afraid they sailed in a storm, here we have had a wind to tear off the leaves, but the color is wonderful, I am hoping it will be fine on Sunday and am looking forward to seeing you with so much pleasure.

My kindest regards to them and you.

Always sincerely yours,

MARY CASSATT."

"10 Rue de Marignan.

From Mary Cassatt.

Dear Mr. Stillman:

Isn't this weather trying? I wonder how you are bearing it. I am sure it isn't good for you.

We are going off as soon as we can get ready. Do go South into the Sunshine (it) will help you I am sure. I send you a Spanish paper with a picture of Casa Miranda, it urges the government to buy it. Kelekian says it can be bought for 125,000 frs. and means to buy it if no one else does. I wish you could get up enough of interest in it to go and see it as a distraction. Lord Macaulay once wrote some verses which have kept in my head for years—apropos of his defeat at Edinburgh where he stood for re-election. He was beaten and these verses describe his return to Literature and his consolation in that. The Realm of art is also consoling and gives one serenity. One must distract one's mind from worrying and place one's interest elsewhere. I cannot bear to think of you worried and depressed and alone over here—

With kindest regards.

Yours sincerely,

MARY CASSATT."

"Mesnil-Beaufresne,
Fresneaux-Montchevreuil,
September 12, 1909.

From Mary Cassatt.
Dear Mr. Stillman:

Please accept my sincere sympathy for the loss of your friend Mr. Harriman. I know it must be a grief to you. When I had the pleasure of meeting him at your house I thought him a sick man, his voice was weak and his vitality seemed low. I hoped the doctors might do something for him. Now that he has gone the newspapers are ready to acknowledge his powers—it is always so. I feel a deep pity for Mrs. Harriman, deprived of her husband's companionship at the time of life she most needs it and left with such a burden of wealth on her hands. It seems as if we were never to see any of our best men live to a ripe age, the world is the better for old people, their long experience and matured judgment.

I hope you are well and will return to this side. Your letter rather frightened me—it also much interested me, one likes to know one's country prosperous, but I was afraid you would allow yourself once more to be drawn into the vortex. The dullness over here is safer—wishing you a safe return to it and with kindest regards believe me,

Most sincerely yours,
MARY CASSATT."

"Peri Palace Hotel,
Constantinople,
December 22nd.

From Mary Cassatt.
Dear Mr. Stillman:

We arrived here yesterday and are all charmed with our

journey—I called on the Kaulbach's at Munich but unfortunately they were out. Munich is a very home-like place, though we did not see there the most interesting sight, a man of 135 years in excellent health and enjoyment of all his faculties. This was told us by a doctor, called in for a sore finger, he assured us that inhabitants of ages varying from 140 to 150 were freely scattered over Bulgaria. Of course my Mother says the Doctor was romancing, but someone at the English Legation said as the man was a Jew there would be records.

I need not say that at the Legation they had never heard of this until I told them, for few Diplomats know anything of the countries they are accredited to.

I found your letter and the photographs at Buda Pest, thanks so much for sending them. I have spoiled one by my absurd stiffness I am always so afraid of moving I stand like a ramrod—I wish sometime you would take a photograph of me, when I promise to be more natural. I have not posed for years, though this summer Joseph Durand Ruel took a snap shot and gave it for publication, such a silly simpering thing.

This place is wonderful, we move from sensation to sensation, the views like the Riviera but more gay. The Vienna Gallery is fine, but I cannot study pictures on a tour like this. The sculptures here have given me my first artistic thrill.

I hope you are enjoying the Riviera. I often think of you with very affectionate regards and hope you will find that happiness you wish for, it must of course exist, but the nearest I can imagine to it is peace in one's inward life. This

is croaking. Kind remembrances from my family and believe me always

Sincerely yours,

MARY CASSATT."

You sent me off with such a kind message from London I am much touched."

"Constantinople,
Christmas.

From Mary Cassatt.
Dear Mr. Stillman:

No one ever was so nice to me as you are, my Ellen Mary gave me your Xmas present this morning. I don't suppose the scissors will cut our friendship, I would not like that, though you did laugh when I told you you had brought something into my life I had not before.

I hope you will come here some day. I think you would like it, we are delighted with all we see, and find Constantinople better worth seeing than either Naples or Venice. I am taking for granted you haven't been here, but perhaps you have. It is an ideal place for a yacht, even sea-sick people can sail with pleasure on these smooth waters. We leave on Tuesday and will have to stay two days on these smooth waters within a half hour of Athens, in quarantine, and miss our excursions to Asia Minor for the same reason.

I hope you are well. A happy New Year—may you have every possible satisfaction—I do think it was very good of you to think of me.

Very sincerely yours,

MARY CASSATT.

"10 Rue de Marignan.

Dear Mr. Stillman:

I am really not yet fit to dine out; it will give me so much pleasure if you can come in this afternoon. Yes, Egypt has been torture, but we learn even on the rack. I can congratulate you on doing good work. I was glad for you when I read your letter, even if I never again can hope that for myself. Always yours sincerely,

MARY CASSATT."

"10 Rue de Marignan.

Dear Mr. Stillman:

I am so glad you have got back, I have missed you dreadfully, I will be ready for a drive at three, and perhaps we may see the Ingres exhibition before I feel strivings for work.

Yours always sincerely,

MARY CASSATT."

"10 Rue de Marignan.

Dear Mr. Stillman:

With the greatest pleasure at three o'clock. Vol. I is of absorbing interest, of course I had divined the qualities that would make success inevitable no matter what was undertaken, but I now understand more. Bring cigarettes for I must talk it over.

Gratefully yours,

MARY CASSATT."

"17 Rue de Varenne.

Letter from Auguste Rodin.

Monsieur:

Permettez moi de vous écrire pour vous demander avis, sur un buste que je fais de feu Monsieur Harriman.

Ce buste m'a été commandé par Madame Harriman il'y a plus d'un an. Lorsque malade et revenant d'Allemagne, Monsieur Harriman est resté quelques jours chez vous, Monsieur, avant de partir pour l'Amérique. C'est là, Monsieur, que j'ai eu trois séances, devant le grand homme très malade, mais dont les yeux etaient encore pleins de génie.

Madame Rumsey doit venir voir le portrait de son père, et je desire avant si possible le montrer à ses amis de Paris; qui peuvent encore m'aider a le parfaire, car ce buste est encore en terre glaise, et peut supporter des modifications s'il le faut.

L'Atelier est Rue de Varenne, 77 Hotel Biron:

J'y suis l'après midi mais suis aussi à votre disposition le jour et l'heure que vous choississez . . .

Je vous prié, Monsieur d'agréer l'assurance de mes sentiments distingués.

AUGUSTE RODIN."

"May 18th, 1913.

Hotel Victoria,
Grasse.

My dear Clara:

A week ago last Wednesday the Christiansons and I started at last on our long talked of motor trip. In spite of its being mountainous, Auvergne did not interest me, and the people were ugly in every way.

It recalled what I read at school in Caesar's Commentaries of his dislike of the Avernii, and I could readily understand how difficult it was for him to conquer their country. The collection of Roman, French, Gothic and Renaissance sculpture at the Musée Lapidaire at Arles, although small, is I think the finest I have seen anywhere.

I have found just the pedestals for my statues of the Virgins and they come from the Midi. I will send you photographs of them. Of course on arriving at Grasse I immediately called on Miss Cassatt and found her in fine feather, and naturally more interested than ever in discussing everyone and woman suffrage in particular. I was able to change the subject by telling her, as I had previously written, of how the Wildensteins in taking me into their private apartments, for the first time, to show me a very remarkable Italian painting, was the means of my seeing a pastel of Miss Cassatt's on the wall. You know how they watch every move one makes, and when they saw me looking at it they dilated upon its charm and beauty, the feeling, color and drawing.

It was of a little girl, and Madame Wildenstein went up to it so tenderly and took it in her hands so caressingly, I thought she was going to kiss it. I had not up to that time said a word. Then in a most indifferent tone, I asked the price, they replied 'Ah, Monsieur this is our's, it's not for sale,' and they seemed to feel hurt at any pecuniary reference to it—as if it were alive. The great painting was their property, but this was ours.

In fact no business was discussed afterwards, and they kept talking of Miss Cassatt's talent and repeated several times she is a grand maître and we are surprised not to have realized it sooner. I am quite sure they meant what they

said and that it was not for effect. So I invited them to come and see her paintings at the Rue Rembrandt, which they promptly accepted and I could see were much impressed and pleased with them.*****

I enjoyed their visit. They had no sooner left than a young artist brought a cat screen, which I had bought at the Exposition des Humoristes for little Isabel's birthday present for her Surprise Cottage. I think it's remarkably good, and every imaginable kind of cat is either on the top or bottom of it.

He seemed so intelligent and clever I asked him if he would like to see my paintings. He would stand five minutes before some of them without saying a word, in fact he said very little at all—what he did say was intelligent and enthusiastic about them or the artist—the owner was nothing to him whatever while he was studying them.

It seems he has quite a reputation as a painter other than of cats and dogs, but is so clever at that he can hardly fill the orders given him. This hardly surprised me when every woman in Paris has several, instead of one, of these pets. As he was leaving, Mr. Christianson asked him which painting he liked the best, he replied it was not easy to say in such a cursory view, but he thought the Titian and Gainsborough. I do not believe there has ever been a more appreciative visitor in the house.

Now I am telling Miss Cassatt never to offer another of her paintings for sale, that then they will begin running after her and when they have often enough, to consent to dispose of one for a hundred thousand francs. I have also made the prediction that Degas will decline and her's advance so much, that in ten years her paintings will sell for as much as his and I believe it. You should have heard her

shrieks! She confided in me that she had gained 16 pounds and I think is painting, but irregularly, owing to the difficulty of getting models to go as far as her villa. She has taken it for two more years. She declares she is perfectly well and is anxious to get back to Paris. Then if she plunges in her excitable way into her old life, I fear she will be made to realize that she has had a long illness and is not as young as she once was—but no human being, not even Mathilde, can stop her.

I was very glad to learn from your letter of April 30th received a few days ago, that Bessie was so well and Charlie also. I suppose that by this time you are comfortably settled at Cornwall. Next week the Christiansons, Miss Cassatt and I expect to go to Les Saintes Maries, with the other Bohemians, to the great annual pilgrimage in honor of their patron saint the 'black Sara' the servant of the three Marys.

They landed there with Lazarus when they fled from Palestine, vide Baedeker. At Arles we were told that several thousand Gipsies from all parts of the world attend annually, we saw them travelling as we motored from Paris. That it is one of the most ancient and picturesque pilgrimages in existence and their costumes very quaint. That during the two days celebration there is absolutely no stealing. From there I am planning to motor to Paris via Barcelonnette and then to go to Canada fishing and to see you all in July. Today we have had the most wonderful and delightful ride I have ever taken, first to the Gorge du Verdun, then Moustiere (where the chain is suspended and which we have talked about going to so much) and afterwards through a still grander gorge than that of Verdun, which latter Baedeker says is the finest in France. The weather has been beautiful and everywhere children and grown-ups were out

in force. Such a time with the papillotes I have never had, in several places almost mobbed, even old men coming with their caps in their hands and old women holding up their aprons. But all in such good part and so appreciative, even much more so back in the mountains than the places we motored to last winter. The whole country is one blaze of color, fields upon fields of many varieties of roses, and some as big as cabbages, poppies, brilliant red gladiolas and wild flowers innumerable. The new leaves of the olive trees are like those of the silver poplar. The orange trees are in blossom and their fragrance fills the air. In fact in one town a garbage-heap gave out a pleasant odor, it had been saturated with orange water. The frogs are peeping, the doves cooing like clocks, and the nightingales singing under our windows all night long. Have you ever heard them, what a variety of notes and whistles and how they kept at it! Every one seems contented and happy. This is a nice little hotel, the father is cook, the mother housekeeper, the son the waiter, and all very obliging. There are only four or five people in the house and we are really about as comfortable as we were in the Californie. We passed it the other day and the extensions at each end are already half way up; the country and the people are so different from what they are in winter, delightful then but much more so now. My only regret at being here is that sometime I must leave, and when I think of N. Y.—*Ugh!* I sent Bessie some pressed flowers the other day and enclosed one of the onion, I wonder if it will retain its odor and arrive safely. At all events I will send some more and photos, also on the chance of their reaching you safely.

Your affectionate brother,

J. S."

"January 6, 1914.
19 Rue Rembrandt.

My dear Mildred:

I thank you and Ernest for all your Christmas gifts and remembrances.

The photographs of Jane were especially interesting. I will soon be having to order dresses for her. You must let me know when you want me to do so and send the measurements. I noticed she had on the dress I sent her in the photograph. As Elsie wished me to send her some dancing dresses, I could not resist the temptation to send you one at the same time, which is the very latest mode and color. Please see it though first by gaslight, as it is green, and of an entirely different shade by daylight. Also I ordered you two others, viz:

1 robe du soir moiré verte
1 robe du soir moiré rose
1 robe bleue d'après-midi

I hope you will like them and that they will fit. You should receive them soon after the receipt of this. On Christmas we had in Paris a slight fall of snow, quite appropriate for the season but very unusual. It did not last long, but before it disappeared I took a few photographs of the Park from the Library window—copies of which I am enclosing thinking they might interest you as I suppose you still have recollections of Paris.

Hoping you and Ernest are well and Jane continues to thrive, and wishing you all a Happy New Year, I am

Yours affectionately,

Jas. Stillman.

Addressed to Mrs. E. G. Stillman."

"February 23, 1914.

Hotel Californie,
Cannes.

Dear Mildred:

Business affairs in America have so occupied my time in writing letters and cablegrams, I really cannot remember when I last wrote you.

In any event not since the receipt of Jane's valentine, which was very cunning and the only one I received. The custom both in France and England has practically died out, I am sorry to say, and I could find none either in Paris or London to send to the grandchildren at home.

I am glad you like the dresses I sent you and that the green one is becoming, still I doubt if you could wear wrong shades of green. Elsie dislikes that color, or thinks she does, and I believe green would be becoming to her.

You had better send me new measures, if the old ones are not correct, and I may be able to select a few summer dresses for you, but don't count upon them as my plans are very uncertain. I think though I will order Jane a few white dresses here in Cannes, where the original house of Rouff is, and it is quite celebrated and better than the one in Paris. *****I am

Yours affectionately,

JAMES STILLMAN.

My address is always
aux soins de Bedford Petroleum Cie, 67 Boulevard Haussmann, Paris, France."

Chapter Nineteen

THE GREAT WORLD

MEANWHILE, Mr. Stillman had formed and was maintaining other friendships, while seeing a good deal of what used to be known as the Great World—a world since this time almost vanished from the European scene. In France at least its doors had opened to but few Americans, yet now it was unexpectedly interested. Rumors of wealth and prestige did not wholly account for this interest, since nothing is more usual in Paris than wealth and prestige. But a city which astutely pigeon-holed the stranger within her gates, had not so far discovered the right pigeon-hole for this one.

With the genial, often boastful American man of success, fussy about his family and curiously observing a civilization which he secretly inclined to despise—the French aristocrat was perfectly familiar and kept him in the Outer Ward. This visitor was a new type. Here was no democrat; here, in all essentials, at least, was "one of us." This gentleman had prepared himself for his sojourn among them by learning their language, but had never had to learn their points-of-view nor their habits of mind. His manner held the simplicity and the

aloofness habitual to their caste; he loved privacy as they did, could be as icy as an Austrian Archduke and as kind as a citizen of the United States. He valued dignity and beauty and never displayed his possessions with the air of a conqueror. Filling his house with their subdued richness and color, these acquisitions formed a background for the central figure which yet was not dwarfed by them. The master of the house moved quietly among his paintings and tapestries, with an un-American repose. He was almost mysteriously taciturn and always uncannily observant. People told each other that dining with him had a certain novelty. One guest recalls it as "dining in the Hall of Eblis, with four tall valets-de-pied standing in the four corners of the room and the host watching me with the cold smile of a Japanese statesman." Another retains a picture of him gazing intently into the great crystal ball in his library, while the bystander, a little awestricken, wondered what he beheld therein. This seems almost melodramatic, it suggests Monte Cristo, yet these impressions have remained vivid for nearly twenty years, and when we look more nearly there is undeniably a flavor of 55 Wall Street about them. Nor is it unlikely that the effect was more or less conscious. He had always been aware of the value of creating an atmosphere. We are dealing with a shrewd and subtle mind. It is improbable that James Stillman ever read Henry James, but literature is

the poorer because Henry James never read James Stillman.

There were delightful occasions at the Rue Rembrandt when the host could relax a little of that terrible watchfulness, could take life more easily and, when feeling himself safe, would discourse most interestingly about pictures, music or men—more rarely about books or Wall Street. Once or twice, when circumstances were favorable, he did become reminiscent concerning that locality, and those who listened, aware that he had been the builder of a gigantic epoch and one of a race of giants, were so fascinated that they took notes of his talk.

One of these note-slips lies before us, scribbled on the menu-card of December 27, 1913, to testify that after the roast chicken, haricots verts and pumpkin pie, James Stillman had described the panic of 1893 and had decided that in business "the fundamental basis is the heart," a conviction which he managed to make more salient in France than in New York.

As time went on and acquaintances deepened into friendships, some of these companions saw below the surface. Plainly, their American friend loved power and the wielding of it, liked being "in the know," enjoyed the small, intimate dinners with important people at which international affairs are arranged and was otherwise worldly, intelligent and sophisticated. What they could not reconcile with all this was his air of pen-

siveness, his challenging strangeness and his continued austerity of life. It impressed them the more, did this austerity, since they had evidence that it proceeded from profundity rather than from poverty of nature. Why should this interesting person spoil everything by being, as one great lady plaintively put it, "so *terribly* moral?" It got in their way, it disturbed them. They looked for him to change these Puritanic ideas but he didn't. So they shook their heads and went home and told their wives about it—those profoundly disillusioned wives!—with whom the fact remains to this day as the clearest among their slightly puzzled memories of James Stillman.

One of his closest friends should be permitted to speak of this and other matters in his own inimitable English and his own affectionate way.

"That man, you see, was peculiar; 'e 'ave no exteriorities—'e was all interior, and if once 'e let 'imself be expansive—ouf! down 'e must pull his masque-de-fer. Yet si simple, si bon enfant! 'E say to me, 'You love children, eh?' and show me all 'e 'ave bought to send 'ome, little dresses, panties, everything! . . .

'E love me—'e say: 'W'y not come New York?' I say, 'Oh I stick where I am!' 'E come every day almost and talk about politics—pictures—National City—everything—'E love me, 'e want to show it and 'e not know how. So one day I 'ave cold and what you think? 'E send me roses like I was prima-donna. . . . But for

'imself, nothing! He 'ave me dine with 'im—in his house, mâitre d'hotel, three men, bring 'im little something—no wine—I cry, 'For God Heaven's sake, Steelman, jus' one little glass champagne? W'y you so hard on yourself?' But for me—everything! And never too busy to see me—in New York or anyw'ere. 'E love my nephew. That boy 'he were great pals, 'e call 'im Dollar —'cause boy say Dollar this and Dollar that, 'e love the boy and w'en the boy's train go thro' Cannes, 'e skip 'his lunch and go station to see that boy for ten minutes! 'E say, Steelman say, ' 'w'at you goin' do with that Boy? I 'ave watch 'im, 'e is good Boy!' And I say, 'oh I shall keep 'im in this beesness to be with me.' Then 'e say 'W'y shouldn't we make 'im a customer? Give me this Boy.' And I say, 'after the War!' But—for the boy was no after the war.

About the War, 'e scare me to death—'e expect it—'e expect something! I say to 'im 'Steelman, for Heaven's sake, stop it!' But 'e keep on saying 'Something is coming. Pay your debts and go to sleep!'

Monsieur Morgan was 'is friend. Ah, seigneur de la Renaissance, celui-là. Lady want a necklace? Here you are! Friend like a Rembrandt? There it is! La flamboyance pourtant, mais toujours, *toujours* un très grand seigneur!"

The friendship with Morgan had increased rather than lessened during these years. Now that they were both out of it, they could enjoy the common interest of

surveying the past together and, all competition laid aside, could philosophize over their battles and their victories. When the great financier appeared in Europe it always brought pleasure to James Stillman—who was never irritated by these idosyncrasies which had caused a witty Archbishop to bestow on the elder man the nickname of Pierpontifex Maximus. We have one or two amusing glimpses of the pair, characteristic of both their attitudes toward life.

One shows them standing side by side in Rome before a rarely beautiful tapestry, James Stillman had ideas of buying, while he felt it to be an extravagance.

J. S., slowly, "I suppose I oughtn't, but it's a great temptation."

J. P. M., gaily, (unconsciously quoting Wilde) "Always resist everything, Stillman, except temptation!"

Another story James Stillman told himself, concerned a visit he paid his friend in London. Having heard that Morgan had arrived in England unaccompanied by any member of his family, he went around one hot June morning to find his friend alone eating strawberries in the garden. The two had some talk and then a pause fell, and Morgan asked:

"What brought you here to see me, Stillman?"

"Oh," said the other slowly, in that quiet way of his —"I thought you might be lonely! Whereat," the narrator continued, "Morgan jumped up from the table and ran around and kissed me on the cheek!"

"And you?"

"Oh—I was very much amused!"

"And what did you do then?"

"We ate up all the rest of the strawberries!"

Thus we see "l'Homme Tranquille" as he nicknamed himself, (writing it on a card sometimes to an intimate friend) more at his ease than we have heretofore beheld him in these pages, expanding more, less oppressed by the need of vigilance than he was at home and often adding touches of gayety to his ironic humor that showed enjoyment of life.

On all sides the social spectacle provided this humor with points of contrast and amusement. He was much diverted, for instance, by meeting a family of ancient lineage, who, having discovered that an ancestor of their's had known a Stillman at the Crusades—made tentative approaches to this one to marry their sister! Once he dined for several times in quick succession with a notability whose health obliged him to keep a physician always in his house. Mr. Stillman noticed that there was always a different doctor at the table and commented on it.

His host explained. "I have been trying out these different doctors, for I shall never be satisfied until I find one who can eat and drink as much as I can!"

With all his sense of humor and perception of differences between the American and European outlook, James Stillman was exceedingly sensitive to the moods

of others and while never glossing things over, gave much attention to the troubles and problems of his friends. His sympathy was marked, particularly if he could help with something besides money, for he was tired and bored with being asked only for that sort of help. He liked to give and gave a great deal, but he did hate being asked! Nor was Europe a whit more backward than America in making such demands. He resented them. So when charming ladies smiled on him and begged him to aid their charities—he dropped his cold eyes and sent a box of soap.

What he tried to give—what interested him most to give, was just that underlying philosophy of life which all Americans of his type believe to be their one great contribution to ideals of civilization—the one thing Europe may learn from them if she will only listen—the doctrine of work for its own sake. Because of his own loneliness and that deep-lying sympathy, James Stillman was perpetually receiving his friend's confidences in regard to their private affairs and emotional problems, and as perpetually offering them his own solution of hard, interesting work. This solution was seldom if ever acceptable, but he offered it with a zeal and resourcefulness that appear infinite. He took unsatisfactory noble husbands on business trips, confident that he could interest them in some occupation which would restore them to their families—and without success. He offered people positions in banks which they

didn't want. He spent his time and personal energy in selecting surgeons for them and investigating schools for their sons. He played Santa Claus to poor little children with historic names, whose fathers were otherwise engaged on Christmas Eve. He helped the poor and proud so delicately that they couldn't be affronted. So he is held in grateful remembrance tinged with amazement—as if he were the United States in person.

Nor was this his only form of personal generosity. Three tiny black leather address-books filled with his precise upright script contain many imposing names. Here and there scattered among them one comes upon a name with a note attached, such as "little boy with goats" or "children at the gate" on such and such a road. These recall to us the practice which his daughter-in-law narrates and which became well known and the only matter which ever got into the newspapers. On every fair afternoon a large motor-car, bearing on the radiator a white, green and red cockade, would stop at the villages and the gentleman on the front seat, wearing a long overcoat, would stand up and toss handfuls of sweets to the gathered children awaiting him. When he tired of throwing these papillottes, he would give away dozens of straw hats, which under his own careful eye had been trimmed with brightly-colored ribbons.

This occupation was not spasmodic, but regular, planned and carried out as efficiently as one might expect—the candies being bought a hundred kilos at a

"Papa Bonbon"

time and placed in large sacks in the car. When they were exhausted, the cockade would be turned down! "L'auto de M. Bonbon" became a characteristic incident in certain sections of the Alpes Maritimes, pointed out to strangers and noticed by everybody.

Because of his dislike of cold weather, as he grew older, James Stillman spent much of his winter in the South, on the Riviera at Nice or Cannes or San Remo with occasional flights into Italy. Here beside playing "Papa Bonbon," he kept up his interest in photography, taking many artistic and beautiful views and putting them into albums for his friends. More than one visit to Rome occurred, for that city roused his interest in many directions and he had many friends there. An audience with the Pope took place on one of these occasions and meetings with other Church dignitaries. The hierarchy had always immensely impressed him and one is hardly surprised to hear that he admitted he would liked to have been a Cardinal! This ambition is understandable for he had the temperament in more ways than one. If it is easy to visualize Pierpont Morgan as one of those gorgeous Renaissance princes, it is not hard to see the "subtle-secret" smile of the Sphinx of Wall Street under a red hat.

Apropos of the Papal visit, Mr. Stillman used to recall with a chuckle, that when Mr. John Rockefeller was asked if he wanted such an audience, he said "No" until a suggestion was made that it would please his

workmen of the Standard Oil, whereat he went, of course!

During one Roman sojourn, Mr. Stillman was not a little bothered by the susceptibilities of his handsome young secretary, who was inclined to be bewitched by lovely Italian ladies, dwelling in palaces where gods rioted upon the ceilings. This worried his employer, whose ever-present sense of responsibility was aroused by it, so that he tried—unsuccessfully—to detach the young man in question. James Stillman was very powerful, but he was not powerful enough to make the average person see reason. He confided these perplexities, looking for sympathy, but it was strangely to lack, so he could only shrug and marvel at the codes of an alien world.

If he had only not been possessed of this super-penetration, this faculty of reading the unspoken purposes in the minds of others, he might not have felt it as so alien. As it was, none of the glittering materialism could remain hidden—this jarred and sometimes roused antagonism. For not everyone found out the deeper qualities of sympathy in this man any more in Europe than in New York. A certain type of shallow nature was made very uneasy by him and hated "those queer eyes and the way he had of suddenly dropping them." People who lived on the surface couldn't go deep down, and he, who lived so deep down couldn't come up to meet them.

They felt him as aloof; they felt him as uncanny. His way of completing one's unspoken thought gave one an unpleasant sense of being in his power. Himself he dreaded this gift and tried to use it as little as possible, but it is one of the things his friends cannot forget.

Then there were other little ways hard for them to understand—that watchfulness! . . . What iron hand gripped the man? He would call one up on the telephone saying he had something important to discuss, would accept an invitation to dine, would arrive, eat, sit, smoke and depart, without having uttered twenty words and none of them important! Or, he would begin:

"When I was at Fontainebleau yesterday, I met—" Pause. The eyes would be lowered and the name of the person would never be told. It was all the more strange because he could talk when he wanted to for hours, so fully, so interestingly—! Moods befell which were even awesome to witness, for these silences were not the empty vacuities of a person who has nothing in his head —they were much more. There were moments when they seemed rather the actual withdrawal of personality into some guarded retreat, where it waits, watches, listens for something unknown, unseen— This is how in truth, many people regarded and remembered them—with wonder and a little dread.

All these things are aspects of a personal impression,

made by the subject of this biography during the years preceding 1914, upon a full, fair glittering world. This world was now, before his eyes, about to be shattered into fragments.

Chapter Twenty

THE WAR

"There were two James Stillmans: I knew them both."

SINCE 1912 James Stillman had definitely expected the War. As we have read in the preceding chapter, such anticipations had dated as far back as 1910-1911, when his comments to his family and friends leave no other interpretation. In 1912, however, these general prophecies had been confirmed in a manner which left him decidedly uneasy. His establishment at that date contained some Austrian servants, whose master received an unpleasant shock when he found they were secretly mobilized. The crisis passed off, but the doubt remained. "Take all precaution," he said to more than one acquaintance, "it will come." "He expected it—he expected something" another testifies, "he keep on saying 'Something is coming'!"

There is extant in his handwriting a strange little note, addressed to a friend from whom he had just bought one picture and refused to buy another on account of its ferocious expression. The "piece of paper" enclosed was, of course, a check, but the warning is so

odd and explicit that the recipient never destroyed it. The note is neither addressed, dated, nor signed and bears the title

"A Prescription

Rx

Place the paper in this envelope in your pocket-book. If you have any debts, pay them. Do not purchase anything with the enclosed paper. Give away the ferocious portrait, but not to the writer as it is disturbing to the nerves. The pretty enamel you can undoubtedly sell at some price. Do so. Then go to Ferrara or to sleep, which is probably much the same . . . Leave word when it looks as if the art world was coming to an end, to awaken you. Sit up, and if you find any dealers are buying, go to sleep again. Be called when no dealers are in the market. Then begin to buy and buy, go into debt if necessary to buy and you will count your sleep as having been as beneficial as anyone ever took and this prescription wise."

General anticipations, however, seldom mitigate the shock of actual calamities. Mr. Stillman, moreover, was mistaken in one or two of his conclusions, for he had always held that no European War could take place without the support of the Rothschilds. For about a fortnight of July 1914, he appears to have been hopeful, though not confident, that this crisis also might be averted and he remained at his Paris house for the first part of the month because he hoped for a settlement, and the last part because he had ceased to hope.

After August first he had no intention of leaving, for he found his brain, his energies, his money and his feelings all concentrated on one subject, all turned irresistibly in one direction.

Unfortunately, this very fact for James Stillman and others like him in France, is responsible for the dearth of written material to show the daily progress of events. The Chairman of the City Bank doubtless received and sent more cables than ever in his life before, but he had little time for letters. There was every species of anxiety piled on his shoulders during those weeks.

The money situation during August 1914 "when all panic causes were operating on a scale never previously witnessed in financial history," would have been enough in itself for any banker forced to be absent from his business. That it was unexpected is proved by a large shipment of gold on the 28th of July. On the 31st, the London Stock Exchange "which had remained open for business during all of the Napoleonic Wars, decided to close before this war had even begun."

Some days before this happened, the Bourses of the Continent had practically ceased to function—the financial world stood helplessly by, contemplating the phenomenon of a vast flood of selling orders having no market in which to operate. The result of this situation was a practical deadlock, since in twenty-four hours the entire industry of banking and credit was tempora-

rily paralyzed. Banks could not increase their cash resources by realizing on their investments nor could they call their loans from brokers or any other customers, since these in turn were unable to realize on their collateral. The Bank of England saw its reserve fall below ten millions, whereas twenty millions had heretofore been considered as the danger-point. Actual gold in hand being the one necessity for nations and individuals alike, there started a currency-panic which lasted for months.

One can imagine the effect of this cataclysm on a banker of James Stillman's school, to whose mind the Bank of England reserve stood for an entity having its roots in eternity, and who for the first time in his life, for all his financial genius, could not look beyond the day. Only one certainty the future showed him, that this vast cloud of suffering which had suddenly overspread the human race was not going to vanish for a long time.

How black it was, neither he nor any of his friends could have told during that week, when the complex machine of modern civilization with all its intricate parts, money, communication, food, transportation, credit and security—stood helpless like a broken-down motor on the high-road. Moreover, the financial chaos which he thought on and cabled about from the Rue Rembrandt, even the absolute cessation of every activity with which his whole life had been occupied, seemed as

nothing in view of the greater miracle—*that it didn't matter*. Here was the stupefying phenomenon, and he commented on it in his gravest vein, that the whole race should go streaming by that broken automobile and hardly look at it. Would he ever have foreseen that this return to primitive conditions, and the total obliteration of his own particular industry, could happen as it were over-night and yet in his mind as in the minds of all around him, that fact be as nothing in view of the greater things which were taking place? He pulled out of the depth of being a few broken, horrified words to try and express this thought. . . .

James Stillman was used to excitement, God knows! and had never been other than calm in his life. He was quite calm and poised now. Yet that month was one of which he did not willingly speak, and then in terms well-nigh helpless to describe its realizations. "Nobody knows what this thing means but me—."

That hot, bright August of 1914, when the hours trod on each other's heels and he sent cables and cables, and spent nights wondering what news the next day's cables were to bring. . . . Those days, when one stood helpless before conflicting responsibilities. . . .Those ominous, clear, crowded days, when there began to leak through tales of cruelty and misery which he dreaded hearing more than he had ever dreaded anything he could remember. Those days of haste and agony, when

all France was as speechless as he and all their speechlessness was informed with horror.

Luckily for him, there was so much he could do. First of all he must define his personal position. Never did he forgive certain of his acquaintances who had made their home in France and abandoned her in this first hour of need. Therefore, he made it very plain that he was no neutral. Various French statesmen were formally visited, Millerand, Delcassé, Hanotaux, Poincaré, and, more than once, Ribot. Specific offers of relief were made during these interviews and projects towards financing were suggested and planned. But these Frenchmen, although appreciating the importance of their visitor, were all of them caught in the instant needs of crisis and were helplessly waiting on events to extract them. James Stillman's plans therefore became inevitably sidetracked until after the Marne, when they were swept at once into that maze of international intrigue which surrounded all questions regarding neutrals and neutral governments. The whole subject of American aid, individual or national, became part of the vast diplomatic game, which, starting with the year 1915, was played with varying degrees of skill by statesmen over the whole world. James Stillman was one of the pawns on that board,—and an important one—but he had not come to them to play a game and regarded it as a waste of time.

There seems no doubt that in his talks with the

French Government, he was looking toward the future, toward the recovery—and such words were as bitter as they were meaningless in the ears of the French. So they only listened politely, appreciated his sympathy, bowed him out and immediately put him on Boards or named him on Committees. These positions interested him not at all and he never attended their meetings, knowing by a long experience that Boards and Committees never get things done in a hurry.

As an Ally, however, he felt his importance as they did, showing this on more than one occasion, when sent for in consultation by Ribot and Delcassé; while he had ever so deep a sense of responsibility in all this that he let nothing supersede it. As we shall see, almost the last physical action of his life was to post them a letter by his own hand, at a moment when that short walk to the post-box might well have meant the end.

This is later. In August 1914, there were to his mind instant needs to be met, and which could be met, because following his lifetime's habit, he was plentifully supplied with money, with that tangible cash, now the only lever strong enough to move a collapsed civilization. There was the almost daily visit to the Embassy, to talk things over and find out what was to be done.

The Ambassador and Mr. Stillman were friends of some years standing. They had discussed together the former's appointment, in 1912 or '13 when the banker shook his head over what he termed "an ornamental

job"—"an opinion" said the Ambassador grimly, "which he came to change later on!" In Paris, the two used to have long, pleasant talks, either side of the fireplace. Now they faced unimaginable things together.

Here was James Stillman coming in and out, quietly ready at any moment, always to be relied on—it meant much at a time when the Embassy was like a raft to which hundreds of shipwrecked persons were trying to cling. Notes and appeals poured in by the hundred, from people who had no money, or who were merely afraid of not having it, or who sought news of their relatives on seven Army fronts. There were dozens from people who wanted to go the next day to England, to Holland, to Russia, to Germany, to Turkey, or to the United States and who thought that the American Ambassador was the person to provide the means and the influence to get them there.

Mrs. Herrick was at her wit's ends to know what to do about all these, until she found the friend at 19 Rue Rembrandt, to whom they could be turned over as they arrived. Other people besides James Stillman ran unofficial relief bureaus during that month but few so efficiently. He had a secretary, M. Christianson, and a car and all day long and every day they went to and fro over Paris and beyond, investigating all these requests and applications, supplying the money that was needed and incidentally relieving the Embassy of one of its heaviest burdens.

Meanwhile August was streaming by, like a bright current sliding toward an unknown gulf and the Embassy cellars were packed with cots and bottled water, in order to be ready for the refugees. Secretaries were busy preparing posters to be placed on the historic monuments of Paris—with a touching faith that this was all that was needed to save them—! and Mr. Herrick was saying, "*When they come*"—and not "*If they come*—."

There was one night during that last week when the two men sat late, talking gravely together in a deeper strain than they had formerly used, considering many things, their work, their country, their ideals and the worth of them, such as high-thinking men do who face the unknown with courage. And one of them remembers quoting to the other that speech from the "Heart of Midlothian" which seems to come white-hot from the heart of Walter Scott.

"But when the hour of trouble comes—and seldom may it visit your Leddyship!—and when the hour of death comes, that comes to high and low—O then it isna what we hae dune for oursells, but what we hae dune for others that we think on maist pleasantly."

"May I copy that?"

James Stillman copied the words, folded the paper, slipped it into his pocket as he said good-night and went out into a dark Paris which one imagines as dead quiet,

holding its breath to listen for the first footfall of the enemy.

The Battle of the Marne came and passed. By the end of September, Mr. Stillman was back for a short time in the United States. His visit showed him, as he had fore-known, the utter lack of realization in his own country of what such warfare means. Some of his friends thought he was jesting when he used a paper table-cloth and napkins. "I'm the only person who realizes!" he repeated many times.

His object in returning was to swing the Bank in line, "which he accomplished," says an observer, "in a very marvelous way" and by December he was back again in Europe, his luggage packed with gold which he had never put to better use.

This is probably the best place—although it runs ahead a little—to comment on those war-time voyages which had a character all their own. On account of his important position in both countries and the large gifts which he made to war-charities during 1914-1915, James Stillman was once again forced into the conspicuousness which he had tried so hard to escape. On the voyage out, his influence with France caused him to be made the bearer of innumerable messages to that country, charitable and financial; his position in the banking world of the States laid a similar burden on his back on the voyage home. Moreover, he once more began to be

hounded by private demands from which his friends tried to protect him.

Therefore, whenever he left Paris his whereabouts were known to but one person in the Bedford Petroleum Company, who might forward messages at discretion, but who was never to forward the address.

One day a partner in Morgan's called up the Company.

"We must reach Mr. Stillman, where is he?"

"I have not an idea."

"But surely he left his address with somebody?"

"Yes, with my secretary. But I shall never know it, because I'd have to shoot him in order to find out!"

These war-voyages therefore were complicated as well as uncomfortable and dangerous. Indeed, only by a timely warning did he escape the "Lusitania." It was now a long time since he had traveled under his own name. Few of the passengers on a big liner during these years would notice the arrival of a gentleman accompanied by his secretary and servant, who took possession of his suite, where, unless there chanced to be an intimate on board, he kept himself to himself for the whole of the voyage.

This was not diverting perhaps, but it had become absolutely necessary. Otherwise there was no escaping the man who edged one into talk in the smoking-room, the people who claimed acquaintance on the decks, the ladies who were only too anxious to add this rare bloom

to their parterre of millionaires. If it seems unbelievable that any intruder lived who could survive the freezing repulse of that strange glance, it must be remembered what a reputation for power will do. There is no doubt that these things began to tinge James Stillman's mind with a shade of underlying suspicion. Such inhibitions have a definite influence and thus he came to withdraw into that inner self more and more. Yet the real warmth of sentiment and friendship always present are shown to us by such letters as the following, written just after his return to France.

"Hotel Ritz, Paris.
December 12, 1914.

Dear Trotti:

I was delighted at receiving the letter you wrote me to London. While I did not expect to find you in Paris, I am disappointed all the same that you are not here—Paris does not seem natural without your genial presence. I really think you should be here for the sentimental effect it would have in cheering your friends. I came here to arrange my Paris house to accommodate twenty French and Belgian wounded officers and treat them just as I would guests visiting me.

I tried to talk business with ——— but without success. His head went up, his chest swelled out and he said, in times like these the great house of ——— never offered anything to their clients like peanut-sellers on the sidewalk! I felt crushed and humble and listened with awe and respect to his dissertation on the change in the German temperament

since the times of Mozart. He compared Mozart to Raphael or Watteau, I forget which. I said to him as seriously as I could that it seemed to me I had heard the name of Mozart and asked if he were alive? You should have seen the look on his face! He immediately changed the subject and described what occurred in Paris last August and September as probably being more suited to my intelligence.

I trust you will keep smiling, that makes another smile and soon there are miles and miles of smiles.

With the best of good wishes,

Yours sincerely,

JAMES STILLMAN."

"Hotel Ritz,
Place Vendome, Paris.
December 27th, 1914.

My dear Evans:

Both in England and France, but especially here one lives in an entirely different atmosphere than ever before. I imagine it will be the same when we leave this world and are on the other side of the veil. The spirit has conquered the flesh. The body is given to death with a quiet determination which lifts one out of self in observing it, as it does the wives and mothers, sisters and even the children who are old enough to understand.

They grieve but do not murmur and bear their trials as heroically as the men. What a race will this develop, what vigor will it restore to France! You are probably a great artist and will be still greater but you will never attain to the greatness you would have without having imbibed the atmosphere here at present. The spirit is among us and the spirit only gives real life. From the beginning of the War

a bright American war correspondent and his wife (most of the time with him) have been almost in the midst of the fighting on both sides and all over Belgium. Their affection and admiration for the Belgians is great. Most of what one reads of the War in the Press, if accurate is apt to be so stale as to be misleading, but as I am told the atrocities have not been exaggerated—in fact many of them cannot be printed. He wanted to find a quiet place to write up his work and said it would take two months in which to do it. So I thought of your apartment and have just returned from there alive. On arriving, I told the concierge I was a friend of your's and he smiled, but when I asked him if I and my friends could see it, he grew sober and asked if we had a permit. Not having one he said it would be impossible to allow me to enter. I felt stumped. I had brought my friends there and disliked disappointing them and also observed them laughing at the contest I was having, including my French. The thought occurred to me that possibly Miss June might melt his heart as she did mine. So I began talking about Mlle. June, etc., and he smiled, said it was irregular to allow anyone to enter without a permit but . . . This was no sooner spoken than a grim-visaged woman whom I had noticed in the background (the effect reminding me of a Terborg painting) jumped to the fore, shoved the concierge aside and began talking at the rate of a mile a minute. If it had not been for a laugh behind me I think I should have retired gracefully. She became more and more positive, and I was saying Vous avez raison, Madame, mais—and that was as far as I could get. She waved a scrap of torn paper in my face. Finally I made out that Mrs. Evans had told her on leaving that no one should be allowed to enter the apart-

ment unless they produced the half that corresponded to it, and no one should, except over her dead body!

The situation was becoming dramatic. I wondered if I was in a novel or in the presence of a wild animal. Having read that in the latter case one should not run, but stand and quietly look the wild beast in the eye, I did so. Then the Concierge, who I imagine was the husband, spoke to her and she immediately turned on him. Such a torrent of language I have never listened to! Sarah Bernhardt never could have spoken such a number of words to the minute. Now it was becoming tragic, for the Concierge deliberately walked to the armoire and got the key. His wife broke down in tears. We saw the apartment, and the dining-room brought back pleasant memories of my dinner there. I imagine though we were all thinking more of that old woman in tears than of the apartment which we had entered without going over her dead body. I know I was. I offered the Concierge a liberal *pourboire*, but he threw up his hands, shook his head and would not take it. I knew instantly I had made a mistake and the kind of people I had to deal with, as sympathy means more to many of the French than money, and I imagine he was not looking forward with pleasure to being alone with Madame Concierge. So I went to the loge and took off my hat and sat down by her saying I admired the position she had taken, she had done her duty, etc., and how much you and Mrs. Evans liked being here and that my only motive was to be of some service if possible to you who I admired so much. She still had much to say, but the tears stopped coming and as I told of how you would like to be there, the smiles almost came and we shook hands all round with many bows and au revoirs! Peace was restored, the Concierge smiling, bowed us out, but his wife still held in

her hand the scrap of paper. It meant something to her. I wish it did to the United States . . . .! With the kindest remembrances to you and Mrs. Evans and Miss June believe me, yours faithfully,

JAMES STILLMAN."

By the end of January, he made an offer of his house in the Rue Rembrandt to the Government for a hospital and during the same month sent them a check for half-a-million francs for the victims of the War. To these were added in 1916, a subscription of twenty thousand dollars for French War Widows, and in 1917, a second half-million francs to the Legion of Honor, on behalf of the Orphans of its members. In the meantime he had organized and headed a Committee in New York for the War Orphans of France and made many smaller gifts of which the details are forgotten.

The French Government responded by a letter which Mr. Stillman forwarded to an intimate friend, saying that it touched and gratified him more than any letter he had ever received.

"République Française,
Paris, le 27th Janvier, 1915.

Ministère
des
Affaires étrangères.

Monsieur le Président,

L'Ambassadeur de la République à Washington m'a fait parvenir une chèque de 500,000 francs que lui a été remis en

votre nom pour les victimes de la guerre à Paris et dans la France septentrionale.

Dès la reception de la nouvelle de ce don si charitable et genéreux, j'ai prié M. Jusserand de se faire officiellement aupres de la vous l'interprète de la gratitude du Gouvernment de la République. Mais je désire moi-même renouveller aupres de vous l'expression de ces sentiments et les remerciements de la France. La nouveau témoignage que vous avez bien voulu donner après la liberalité que vous avez montré il y a quelques années a l'égard de nos Ecoles des Beaux Arts, est une preuve précieuse de votre sympathie pour notre pays et il a profondément touché M. le President de la Republique.

J'ajoute que le don considérable que vous avez bien voulu faire aux victimes de la guerre recevra la destination précise que vous avez indiquée. Agréez, M. le President, les assurances de ma haute considération et de toute ma sympathie.

DELCASSÉ.

M. James Stillman,
Ancien President de la National City Bank."

"Coming at this time," he writes of the above communication, "when my feelings and sympathies are so deep for the cause of the Allies, especially France, which has been so brutally and ruthlessly treated and whose people and government have always been so kind and sympathetic to me, it has touched me profoundly. . . . For France, which for me stands for Humanity and Civilization, I will gladly run the risk of shedding my blood, if I could see any sensible way of doing it. . . . These feelings are very sacred to me," he concludes, and

being a man without rhetoric, the statement has all the accent of truth.

The hospital at 19 Rue Rembrandt—officially known as "V.G.17" was a project near to his heart. He loved his house and could make no gift nearer to being a personal sacrifice. Much of his time was now occupied in the details of furnishing and equipment in which he took keen interest. Not only was this equipment as complete as medical science could suggest, but much of the original beautiful furniture was retained to give the place an atmosphere of home. He wished to offer the twenty-four wounded officers who became its occupants not alone physical care but that ease and comfort so helpful in re-establishing their health. They had everything which may be found in a luxurious private home, pianos, games, a library full of books.

They were to be his guests in every sense of the word, furnished with cigarettes and taxis, wines and mineral waters, while his imagination extended into "toute espèce de gentillesses," champagne on their birthdays and twenty-four newspapers, so that no man of them need be kept waiting! An album of photographs is extant showing the stately rooms and their inmates, gay and cheerful, sailing paper boats in the garden-pond or playing cards upon the terrace. Once or twice, he lunched there with them, and their high-spirits, courage and appreciation brought him real happiness, so that all present felt the unwonted radiance of his mood.

Convalescent officers in the garden of the Rue Rembrandt house

These were the big things, but there were many little ones which seem somehow even larger. Friends everywhere were in trouble—they had lost husbands, children, means of support, or—worse than all—their faith in the outcome. They must be seen, consoled, aided, sympathized with or counselled and he did not spare himself in these tasks, which followed him from Paris to San Remo.

"When you see what is being done in France," he writes, "you forget everything in a consuming desire to help." This "consuming desire" took other forms beside that of giving, forms not practically possible to a rather sedentary man of sixty-four.

"I came over, expecting to join the Ambulance Service," he wrote to M. Louis Aubert at the Front, "but I am not able. I will help in every way I can," he adds, and kept his word.

The kindnesses that flowed from this man during those months! He forgot them as soon as done, but his friends' memories have piled them up and his recording angel must have had writer's cramp. Nineteen fifteen moved on, winter gave place to spring and James Stillman had changed his nickname. No longer was he the "*Sphinx of Wall Street*": he had become "*Le Grand Ami de la France.*"

Chapter Twenty-One and Last

THE RETURN

NONE of these activities, however, nor the change of air and scene at San Remo, could alleviate that corroding intensity of feeling. "I have always been of a sensitive and worrying nature and shall always be," he wrote later of the effect of the War upon his health and nerves. Upon such a nature the world-torture was a personal torture, sapping sleep and strength. He tried, with ill-success, to divert himself with some of his old hobbies, took many beautiful photographs with his fine panoramic lens and gave other things besides bonbons to the groups of children at the villages. The "little boy with the goats" and "the children at the toll-gate" had for him a new interest steeped in compassion. The thought of those orphan children was always pitifully present, do, give, plan what he would. He referred to himself, with his own irony, as "one of that group of Americans whom our President terms '*unbalanced*' by the War." This travail of the spirit was noticed and expressed by many, from the "Why was that rich old gentleman so sad?" of an unthinking acquaintance, to the more affectionate comments of friends who understood.

Sometimes when these last were motoring with him in the Alpes Maritimes, and all the candies had been thrown, he would stop the car at some village church and go in for a few moments. One or two who followed were awed and touched by the bowed head and hands tight clenched, so that the knuckles showed white. "He prayed so hard!" is the pitying phrase used, "Il pria si fort, si fort!" The prayer said, he would come out and drive away.

Manifestly, there was great and increasing strain. One of those spring afternoons, Mrs. Christianson, the wife of his secretary, sat alone in the back of the car, her husband, who had run up to Paris, being expected back on the following day. Mr. Stillman sat as he always did, on the front seat beside the chauffeur. He had been in good spirits and had exerted himself rather more than usual as "Papa Bonbon," standing up and throwing his candies fast and far. After they left the last village, she noticed that he stopped the car, put on his big overcoat and came into the back seat with her. He looked ghastly and there was sweat on his forehead. To her enquiries he managed to gasp out: "I am ill. Take my keys *Now* from my pocket in case anything happens and give them to nobody but your husband." When she had done this he seemed to collapse. It was a wild ride into Nice . . . a doctor came and stayed all night; in the morning a specialist was summoned: for some days the issue remained extremely doubtful.

James Stillman was under no illusions as to the cause or the gravity of his illness. "My heartbrake" he writes, with an unaccustomed and touching slip in spelling, "was caused by the strain my intense feeling and affection for France put upon it, and I am as much of a blessé as many in the hospitals here." Recovery was slow, although by May 15th he is writing his sister from Lugano, where he had been taken for the more bracing climate.

"I have been much more seriously ill than any of you have imagined and suffered excruciating pain, which I don't mind telling you of now I am so much better. I am still very weak or rather the nerves and muscles of my heart are."

By July, he is taking massage and living under a somewhat severe regimen, but adds "I am allowed to gently throw candies to the children." Beneficial as all this may have been to his physical state, it had a lowering effect on the spirits of a temperament grave at all times, apprehensive too often and with more knowledge of illness and symptoms than is good for any patient. A friend who ran down from Paris to see him at Lugano, found him nervous and depressed, surrounded by a battery of nurses and doctors, at first seemingly suspicious of the attention paid him by the visit and then pathetically grateful for it. During the conversation, the doctor came in to feel his pulse two or three times

with a portentous and unnerving solemnity, which the visitor noted with disapproval. Later, however, the patient contrived to make his escape and came into his friend's room in his dressing-gown for a long talk, during which he regained his spirits enough to laugh heartily at the suggestion that to kick out doctors and nurses and import a lively young person from the Ballet would be the quickest means to promote recovery!

He was always receiving similar well meant suggestions from genial hedonists who couldn't understand why they were never accepted, especially when so many lesser proconsuls from the States showed no such hesitations. On this subject neither understood the other. To this day, many of his European friends look upon James Stillman with compassion, as one imprisoned in a dark tower of his own building and looking out therefrom on the sunshine and green fields of life.

As a crisis, the illness passed, but it left a lowered general vitality and permanent heart weakness. This he evidently tried to think about as little as possible, for 1916 was filled with those gifts and projects of giving already mentioned. Chief of these was the draft sent to Poincaré through Ambassador Jusserand "for the relief of children of the members of the Legion of Honor, who had died in the service of France." By September 1916 he was strong enough to return to New York, although not for long, as this letter shows.

"New York, September 20, 1916.

To Louis Aubert.

. . . . . If you were here you would be amazed at the magnitude of the business transactions, but the rush and whirl in which they are carried out and the restless life is very wearying so I am looking forward to the time when I can return to France where there is more rest for me than here. Then I am more interested in trying to be of some service to the French and especially to the women and children who have lost so much from the War, than I am in attending to business on this side.

Yet I really am doing more good in that direction here than if I were there . . . .

We are doing all we can to finance loans to the Allies and to help in every way possible . . . . ."

Decision to return to France in January 1917 was made in a great hurry and despite the rather grave opinion of his physicians. No doubt through his friends in the French Government Mr. Stillman had received warning, as did other important Americans, of the German order regarding the unrestricted use of submarines. A doctor was found to go with him and he was back in France during those first tense months of 1917, until April brought him "the most gratifying day" he says "of the last three years."

Naturally, his engagements were much increased by the entry of the United States into the War. A letter describing them belongs to this time and a card shows that he attended the receptions given by Mr. Hanotaux

to the other members of the Franco-American Committee. Important people of all the Allied forces were met and talked with, including General Pershing. Mr. Stillman asked the American general what had most impressed him in France and was struck by the three words of his answer, "Disregard of Death!"

The second little note, written from Cannes, in April, displays that affectionate anxiety for his friends which he never lost and mentions the boy of whom he was so fond, but was not to see again.

"Cannes, April 4th, 1917.

My dear Sister:

It was very nice of you, Bessie and Charlie to write me. You must know how letters are appreciated when one is away from home.

Now that we are to have war with Germany, I wish I had gone to Florida with you and Bessie, but did you go? I have not heard. There is no telling when ocean travel will be reasonably safe again. I wish what has taken place in Russia would occur in Germany, and all this horrible slaughter cease, but Germany must be beaten at all costs. I received a great deal of attention in London and Paris especially. Spent an evening with Mr. Lloyd George and met at other times many of those you read of. Had a luncheon given in my honor by Monsieur Briand and sat between him and Marshall Joffre. The President of the Republic also received me at the Elysée.

As none of them spoke English you must imagine how

I had to struggle with my French. It was extremely flattering and interesting, but naturally fatiguing.

At last Mr. and Mrs. Christianson and I succeeded in getting here, and now I hope to get rested and become stronger. I would have come sooner, but I had hoped to return home. It was finally decided I must have rest, so I gave up the thought of returning via a Spanish steamer to Havana for a time at least. I have seen Miss Cassatt—she is just as excitable as ever and apparently quite well, except her sight is poor and she cannot paint—but can read and write easily. They say the ruling passion is strong in death so telephone Mrs. Hunt to show you the dresses I ordered for Elsie, Isabel and Mildred and the children. Please thank Charlie for his letter and I still hope we may all be together again this summer.

Your affectionate

BROTHER."

"Cannes, April 29, 1917.

Dear Trotti:

I suppose you have been to the Front as I have not had the pleasure to hear from you since I left Paris. If so, perhaps you have been wounded and although it would almost break my heart to receive news of that kind I would, nevertheless, pass upon a nice little wound which would force you to come down here so that I could have the pleasure of taking care of you. Please remember me to M. Nicolle, if he is not in America, where you should have gone two years ago, and also to Dollar when you write. I hope you have good news of him—and are as well and happy as usual.

Yours sincerely,

JAMES STILLMAN."

Influences were now working steadily towards a return to the bank. Conditions of French life were becoming more taxing and complicated since America was no longer a neutral, but he had brushed these aside as unimportant. True, he was "awfully tired," as he said, "of looking at overdressed American women with pearls on at the Ritz," while to a man who had had a "heartbreak" and could take no exercise, the restrictions as to petrol were becoming serious. He had a "Bon de Circulation" for use "in the Alpes Maritimes, where he was distributing so much money and so many benefits," but no one knew when this might have to be withdrawn.

None of these things counted, but the need of the Bank was definite and he was worried by it. For some time past, he had been dissatisfied with the trend of affairs at 55 Wall Street. The Bank had always come first with him. Though he said "I know I'm committing suicide," there was no question of remaining away if the welfare of the Bank was at stake.

He sailed home in August with the prospect of hard work in a world with which he was no longer spiritually in touch, which was in truth no longer his world. The nineties seemed as far away as the Age of Innocence and few of his group would be there to welcome him. We wonder, as he leaned his elbow on the rail and watched the water slip past, which of the old days and old figures and old stories were borne back into his memory on that flood?

That old tag about the capitalist with the glass eye, which was so much kinder than his real one, the little jests of early days, did such flotsam drift across that tired mind? Did he recall visiting Rockefeller in the Adirondacks, when they two fenced and fenced and wore each other out day after day, neither wishing to open the matter which they had met to discuss? Did he see perhaps once again the snowy-whiskered Commodore—that fairy prince to many a Wall Street boyhood; or Jay Gould with his high hat on, standing at the back of the Opera?

They welcomed him at the Bank as men do who have lacked too long a leader and a respected discipline. They enshrined him reverently in an upper room, and millions (in bonds and bullion and gilt-edged collateral) turned over in their beds in the vaults and slept more soundly because he was there. Day by day found him at his desk, remote, yet vital, like a captain on the bridge of a ship. A few people and some old friends came in and out. John Sterling came. Downstairs, Bank officials told each other privately that it was well he had come when he did.

His work was to keep their feet on the ground, their money in the vaults, their policy worthy of their importance; to know all things without being told and to know everybody's business the moment that person entered the room. His rest was to work for the Orphans of France. . . . Day by day he was there, greyer,

more tired, more strained. There is a photograph in which the saliency of the face has grown almost terrible; it is so weary, the strange eyes are more intense than ever, the big nose stands out. He grew even more legendary, working there unseen, unknown, only felt. All around him, like the clashing of the ocean, Wall Street surged and chattered. But he was not of it any longer, he was a part of its past.

This realization came slowly and must, I think, have been the most perplexing of all those changes which had taken place—it was indeed the ultimate touch of tragedy. The one thing we never believe when we are strong and powerful, when we are feared and sought for, that we can ever be dispensed with, forgotten, passed by. Nine years only had gone since his retirement; his power was based on foundations that stood as strong as ever—the difference was that they were less important, or rather that everything else in the financial world was more so. Before the great War began James Stillman's era had practically closed: and financial America was now an entirely different country from what it had been in 1909. Nucleii of wealth and the number of private fortunes had enormously increased.

Every State had its captains of industry. He had gone away one of a Big Three, he came back one of a Big Three Hundred. In addition, the confidence bred of the way in which the United States had withstood the shock of 1914 and the ensuing flood of gold which

turned it into an international money market, this confidence no longer caused the attitude of Wall Street to be dependent on any one man. In the growth to power of an entire nation, individuals were less dreaded and less praised.

This mattered less than the fact that he had received no summons to Washington for a consultation in regard to financing the War. He had helped steer that of the Spanish War and naturally looked to do his share of this one. He must have known that the habit of the Administration was to consult nobody except its own parasites, yet there is no doubt that his special fitness by genius and experience was such that he expected this recognition. Almost till the end he thought that it would happen. For the rest, he had always been a philosopher. The world had changed, the sense of values had altogether shifted. Had it not shifted for himself as well? All his possessions, pictures and tapestries were as nothing; but there was the little red button on his coat. . . .

Of course there were many gratifying moments. People were constantly arriving from the other side who turned naturally to the friend of France. This interested him more than anything else could have done, for at this period in his history country life seemed too out of the way and he shrank from the quiet of it. Reading had lost interest for him: his life, he said, had been so exciting that fiction seemed tame beside it. Con-

tact with the men who were actually concerned with the War, with interesting people, was the thing he needed most. He was pleased by the recognition of these foreign visitors: it meant much. The officers at 19 Rue Rembrandt did not forget him. Mr. Sharp, who had succeeded Mr. Herrick, wrote appreciatively from Paris.

"Embassy of the United States of America,
Paris, Dec. 28, 1917.

Personal and Private.
My dear Mr. Stillman:

Acknowledging your kind letter of some time ago, let me take this occasion also to thank you for a copy of the New York paper which contained the advertisement appealing for subscriptions for our loan. I suppose that similar efforts will have to be made for many weeks to get favorable responses from the public for another great loan. We certainly seemed to have dropped easily and quickly into the way which France and England learned long ago to deal only in billions. When a member of Congress, I remember sometimes hearing the answer made that ours was a billion dollar country, to the charge that Congress in its extravagant appropriations had become a billion dollar Congress. Surely, this conflict has become a multi-billion dollar War. I think your banking associates have come forward nobly.

But our faces are turned to the east and unless we would have the fate of Lot's wife and become pillars of salt—we cannot look backward. Only the defection of Russia through German intrigue and corruption has rendered the future obscure. Until that happened Germany was fore-

doomed. Its effect on the Allies was like the sudden caving in of an entire side of a fortress exposed to the enemy.

At a time most critical since the War began, it is a matter of regret that we have not a million American troops with big cannon and 20,000 aeroplanes to reinforce the allied armies when the enemy's attack is launched. I say this however, with complete endorsement of President Wilson's entire policy in this war. While he made every effort comporting with the call of humanity to arrest its awful course and bring back the world to right and reason, yet when the time did come to take action if we were to defend our honor, the decision was quickly made. Since then, though to the weary and sorely-tried French people our active participation may have seemed to come very slowly, yet every American ought to be proud of the manner in which our preparations have gone forward in the face of natural obstacles which have reared mountains in our pathway.

But I am departing from my practice of not discussing the features of the war by letter, and must close.

Assuring you that I look forward with pleasure to a renewal of our occasional talks upon your next return to Paris, and with my best wishes for the coming New Year, I am believe me

Very sincerely yours,

Wm. G. Sharp."

"Mr. James Stillman,
New York.

Mrs. Sharp is writing to thank you for the beautiful flowers for our Christmas tables."

Friendship spoke out. Just before the late Henry P. Davison sailed at the head of the Red Cross he came

in to tell the Chairman of the City Bank, "you have been more than any other man the pattern from which I have moulded my business life." This touched the elder man, who spoke of it with feeling. Then there was the companionship of his old friend "Lord John": there were his children and grandchildren.

Every day James Stillman came down town, stepped quickly, with that old vigilant habit between the towering pillars: came out again at dusk and was driven home through the roaring streets. People say he looked older than his age.

The fall of 1917 saw him at the wedding of a much-loved grandson. Shortly after this, on November 25th, a second attack struck him down. As in 1915, there were some very critical hours. . . . When this crisis had been passed, he was told to remain in bed absolutely quiet and without moving. His doctor then went home for a short space, only to be summoned a little later by the worried man-servant, who said that his master insisted on getting up. Arriving at the house, the doctor found his patient on the doorstep with a letter in his hand. He was going to post that letter, he averred, and he walked to the corner and did so. The outraged physician very nearly resigned the case, but the patient apologized.

"I'm afraid I'd have posted that letter with my own hand," he said, "even if I was certain that it was going to kill me."

The decline lasted for more than three months. There was not the slightest hope and nothing to be done, except to make him as comfortable as possible. After the first, there was not much pain. Usually he was able to be up for a part of each day, once or twice he took a short drive. But he walked the perpetual shade of Wall Street no longer and the place of his power knew him no more.

Indomitable will power, inexhaustible patience, these qualities never failed him. Neither did his humor: he joked even under the hypodermic syringe. No one must know, he said, the gravity of his state. He was a good soldier, for there were days when he dressed and insisted on dining downstairs and others when, if he could summon his laboring breath, he would go in and attend a business conference in his library. There were several of these meetings. He knew perfectly well he might die in a moment and said he didn't mind. "I'm really interested in what it all means," he told his doctor, "I can hardly wait to find out."

During the day, he sometimes occupied himself with small things, investigated the contents of his closets, packed with the spoils of shopping, filled with every kind of toy and with money stuffed in among them everywhere. Having heard that the doctor's small boy had been promised a chocolate mouse which so far was not forthcoming, the sick man grew anxious and commanded the household to drop their work and search

New York for a chocolate mouse, because "It is not so important to look after me as to keep your word to a child!"

At night, when he felt strongest, he would be propped on his pillows, with a plentiful supply of little cigarettes and with the friends he valued and his children around him. Then he would talk and talk and talk. This was the re-action from a life-time of repression; here, surrounded by that atmosphere of affection, warm and secure, he could let himself go at last.

Much of this talk was interesting, much was pathetic. He reviewed the past, his work, his group.

" 'Twasn't the money we were after," he said " 'twas the power. We were all playing for power. It was a great game."

In those quiet night hours, scenes and figures of the bygone time unrolled themselves before him. Many of the things that burdened his heart passed into the tender keeping of his children. They were very close to him and he was well-content. He could let himself go; he could say what he pleased; he was safe now; that shadow reaching out toward him, protected him. . . .

He told his doctor:

"These are some of the happiest days, I have ever had." His happiest days . . . !

More than once he avowed that he would like to see the victory. But he did not live to see it: on March 15, 1918 he entered into his longest silence.

There was the simplest possible funeral service and men weighted with cares and millions were his pall-bearers. In their own minds they had buried him in 1909, yet by Fate's odd caprice—in the hearts of thousands of strangers it was only since 1909 that he had ever lived. The newspapers paid respectful tributes. The *Tribune* spoke of the dead man as "straight-thinking, far-sighted, indefatigable and earnestly conscientious. . . . To call him a banker is to restrict unjustly the scope of his genius. His work was not with ledgers and account-books; he wrought in industries, in nations and in continents."

The *Outlook* spoke of his talents and the combination of conservatism and boldness with which he had handled affairs. "He spent much of his time in France and the public does not and probably never will know, how useful his financial support was to that brave and stricken country. It was peculiarly appropriate that one of the honorary pall-bearers was a French officer, General Vignal, who officially represented the French Government."

M. Jusserand's cable reiterated the debt just mentioned and spoke of "his rare merits, the thousands he had assisted and the hearts which appreciated his generosity and uprightness." Many other obituaries and editorials expressed these same admirations. But the newspapers did not know the man of whom they wrote, who had helped to build an epoch and had stamped him-

self upon it. Maybe nobody knew him. Who knows a human being?

The study of an individual in relation to his group has an extraordinary power of revealing to us that group as a whole. This man differed from his associates not only in temperament, but in philosophy of life. Their philosophy, with but few exceptions, was limited by the abilities which had brought them success. They worked for wealth, created it and made its satisfactions answer the needs of their souls. He sought always for something more.

This is the underlying mood of letters and words which constantly reiterate that quest. And this is why his personality stands out in contrast to that crude, exultant, bright, fierce background—a personality complete in all its paradoxes. Men of today, who seek and strive and who look back into the history of our country at the men who sought and strove before them, will pause to consider this one. . . . For James Stillman with his coldness and his sympathy, with his harshness and his tenderness, with his love of power and his sense of responsibility, with his genius and his mysticism, remains one of the strangest and most fascinating figures ever swept into prominence by the tidal forces of our American business life.

THE END

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